96-50

AIRPORT AND AIRWAY DEVELOPMENT ACT OF 1980

(96-50)

HEARINGS

BEFORE THE

SUBCOMMITTEE ON AVIATION

OF THE

COMMITTEE ON

PUBLIC WORKS AND TRANSPORTATION

HOUSE OF REPRESENTATIVES

NINETY-SIXTH CONGRESS

SECOND SESSION

ON

H.R. 6721

TO PROVIDE FOR THE IMPROVEMENT OF THE NATION'S AIRPORT AND AIRWAY SYSTEM, AND FOR OTHER PURPOSES

MARCH 18, 25, 26, AND 27, 1980

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THE AIRPORT AND AIRWAY DEVELOPMENT ACT OF 1980

TUESDAY, MARCH 18, 1980

House of Representatives,
Subcommittee on Aviation,
of the Committee on Public Works and Transportation,
Washington, D.C.

The subcommittee met at 10:10 a.m., in room 2167, Rayburn House Office Building, Hon. Glenn M. Anderson, chairman of the subcommittee, presiding.

Mr. **Anderson.** The meeting of the Subcommittee on Aviation will come to order.

Today we begin hearings to consider legislation to renew the airport and airway development program. Our hearings will also consider related issues of airport access.

The focus of our hearings on the ADAP program will be H.R. 6721, which I introduced, and which is cosponsored by Mr. Johnson, chairman of the full committee, and Mr. Harsha and Mr. Snyder, the ranking minority members of the full committee and the Subcommittee on Aviation, and our subcommittee colleagues, Mr. Boner, Mr. Hefner, and Mr. Young.

The basic objective of H.R. 6721 is to establish the funding levels which will be needed to insure that our airport system continues to be a safe system, operating with the least possible congestion in the air and on the ground, and with the least possible environmental impact on airport neighbors.

[The text of H.R. 6721 follows:]

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96TH CONGRESS
2D SESSION

H. R. 6721

To provide for the improvement of the Nation's airport and airway system, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 6, 1980

Mr. ANDERSON of California (for himself, Mr. JOHNSON of California, Mr. HARSHA, and Mr. SNYDER) introduced the following bill; which was referred jointly to the Committees on Public Works and Transportation and Science and Technology

---

A BILL

To provide for the improvement of the Nation's airport and airway system, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Airport and Airway Improvement Act of 1980".

SEC. 2. DECLARATION OF POLICY.

(a) IN GENERAL.—The Congress hereby finds and declares that—

(1) the safe operation of the airport and airway system will continue to be the highest aviation priority;

(2) continuing airport and airway improvement programs and more effective management and utilization of the Nation's airport and airway system are required to meet the current and projected growth of aviation and the requirements of interstate commerce, the postal service, and the national defense;

(3) this Act should be administered in a manner to provide adequate navigation aids and airport facilities, including reliever airports, for points where scheduled commercial air service is provided;

(4) this Act should be administered in a manner to maximize the use of safety facilities, with highest priority for commercial service airports, including but not limited to, the goal of installing, operating, and maintaining a precision approach system and a full approach light system for each primary runway, grooving or friction treatment of all primary and secondary runways, a nonprecision instrument approach for all secondary runways, runway end identifier lights on all runways that do not have an approach light system, electronic or visual vertical guidance on all runways, runway edge lighting and marking, and radar approach coverage for all airport terminal areas;

(5) all airport and airway programs should be administered in a manner consistent with the provisions of sections 102 and 103 of the Federal Aviation Act of 1958, with due regard for the goals expressed therein of fostering competition, preventing unfair methods of competition in air transportation, and maintaining essential air transportation;

(6) aviation facilities should be constructed and operated with due regard to minimizing current and projected noise impacts on nearby communities;

(7) the Federal administrative requirements placed upon airport sponsors can be reduced and simplified through the use of a single project application to cover all airport improvement projects contained in the airport's annual expenditure program.

(b) TRANSPORTATION PLANNING.—It is declared to be in the national interest to encourage and promote the development of transportation systems embracing various modes of transportation in a manner that will serve the States and local communities efficiently and effectively. To accomplish this objective, the Secretary shall cooperate with State and local officials in the development of airport plans and programs which are formulated on the basis of overall transportation needs and coordinated with other transportation planning with due consideration to comprehensive long-range land-use and access plans and overall social, economic, environmental, system performance, and energy conservation goals and objectives. The process shall be continuing, cooperative, and comprehensive to the degree appropriate based on the complexity of the transportation problems.

SEC. 3. DEFINITIONS.

As used in this Act—

(1) "Airport" means any area of land or water which is used, or intended for use, for the landing and takeoff of aircraft, and any appurtenant areas which are used, or intended for use, for airport buildings or other airport facilities or rights-of-way, together with all airport buildings and facilities located thereon.

(2) "Airport development" means any of the following activities, if undertaken by the sponsor, owner or operator of a public-use airport:

(A) any work involved in constructing, reconstructing, or improving a public-use airport or portion thereof, including—

(i) the removal, lowering, relocation, and marking and lighting of airport hazards; and

(ii) the preparation of plans and specifications, including field investigations incidental thereto; and

(B) any acquisition or installation at or by a public-use airport of—

(i) navigation and other aids used by aircraft for landing at or taking off from such airport, including any necessary site preparation thereby required;

(ii) safety or security equipment required by the Secretary by rule or regulation for the safety or security of persons and property at such airport, or specifically approved by the Secretary as contributing significantly to the safety or security of persons and property at such airport;

(iii) snow removal equipment; or

(iv) aviation-related weather reporting equipment;

(C) any acquisition of land or of any interest therein, or of any easement through or other interest in airspace, including land for future airport development, which is necessary to permit any airport development described in subparagraph (A) or (B) of this paragraph or to remove or mitigate or prevent or limit the establishment of airport hazards.

(3) "Airport hazard" means any structure or object of natural growth located on or in the vicinity of a public-use airport, or any use of land near such airport, which obstructs the airspace required for the flight of aircraft in landing or taking off at such airport or is otherwise hazardous to such landing or taking off of aircraft.

(4) "Airport planning" means planning as defined by such regulations as the Secretary shall prescribe, and includes airport system planning.

(5) "Airport system planning" means the initial as well as continuing development for planning purposes of information and guidance to determine the extent, type, nature, location, and timing of airport development needed in a specific area to establish a viable and balanced system of public-use airports. It includes identification of system needs, development of estimates of systemwide development costs, and the conduct of such studies, surveys, and other planning actions, including those related to airport access, as may be necessary to determine the short-, intermediate-, and long-range aeronautical demands required to be met by a particular system of airports. It also includes the establishment by a State of standards, other than standards for safety of approaches, for airport de-

velopment at public-use airports which are not primary airports.

(6) "Air traffic hub" means all of the commercial service and reliever airports determined by the Secretary to be serving the same geographical area.

(7) "Annual expenditure program" means a program for the utilization of funds pursuant to a consolidated improvement plan.

(8) "Commercial service airport" means a public airport which is determined by the Secretary to enplane annually 2,500 or more passengers and receive scheduled passenger service of aircraft.

(9) "Consolidated improvement plan" means a three-year plan for development and planning projects at one or more airports.

(10) "Government aircraft" means aircraft owned and operated by the United States.

(11) "Landing area" means that area used or intended to be used for the landing, takeoff, or surface maneuvering of aircraft.

(12) "Passengers enplaned" means domestic, territorial, and international revenue passenger enplanements in the United States in scheduled and nonscheduled service of aircraft in intrastate, interstate, and foreign commerce as shall be determined

by the Secretary pursuant to such regulations as the Secretary may prescribe.

(13) "Planning agency" means any planning agency designated by the Secretary which is authorized by the laws of the State or States or political subdivisions concerned to engage in areawide planning for the areas in which assistance under this Act is to be used.

(14) "Primary airport" means a commercial service airport which is determined by the Secretary to have 0.01 per centum or more of the total number of passengers enplaned annually at all commercial service airports.

(15) "Primary hub" means an air traffic hub, the commercial service airports of which are determined by the Secretary to have 0.5 per centum or more of the total number of passengers enplaned annually at all commercial service airports.

(16) "Project" means a project (or separate projects submitted together) for the accomplishment of airport development or airport planning, including the combined submission of all projects which are to be undertaken at an airport in a fiscal year.

(17) "Project costs" means any costs involved in accomplishing a project.

(18) "Project grant" means a grant of funds by the Secretary to a sponsor for the accomplishment of one or more projects.

(19) "Public agency" means a State, or any agency of a State; a municipality or other political subdivision of a State; a tax-supported organization; or an Indian tribe or pueblo.

(20) "Public airport" means any airport which is used or to be used for public purposes, under the control of a public agency, the landing area of which is publicly owned.

(21) "Public-use airport" means any public airport or any privately owned reliever airport which is used or to be used for public purposes.

(22) "Reliever airport" means an airport designated by the Secretary as having the function of relieving congestion at a commercial service airport.

(23) "Secretary" means the Secretary of Transportation.

(24) "Sponsor" means (A) any public agency which, either individually or jointly with one or more other public agencies, submits to the Secretary, in accordance with this Act, an application for financial assistance for a public airport or (B) any private owner of a public-use airport which submits to the Secretary,

in accordance with this Act, an application for financial assistance for such airport.

(25) "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Government of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and Guam.

(26) "Trust Fund" means the Airport and Airway Trust Fund established by section 208 of the Airport and Airway Revenue Act of 1970.

(27) "United States share" means that portion of the project costs of projects for airport development or airport planning approved pursuant to section 8 of this Act which is to be paid from funds made available for the purposes of this Act.

SEC. 4. NATIONAL AIRPORT SYSTEM PLAN.

(a) FORMULATION OF PLAN.—The Secretary shall review and revise as necessary the existing national airport system plan to provide for the development of public-use airports in the United States. The plan shall include the type and estimated cost of eligible airport development considered by the Secretary to be necessary to provide a safe and efficient system of public-use airports to anticipate and meet the needs of civil aeronautics, to meet requirements in support of the national defense as determined by the Secretary of Defense, and to meet identified needs of the postal service. Airport development identified by this plan shall not be limited to the requirements of any classes or categories of public-use airports. In reviewing and revising the plan, the Secretary shall consider the needs of all segments of civil aviation, and take into consideration, among other things, the relationship of each airport to (1) the rest of the transportation system in the particular area, (2) the forecasted technological developments in aeronautics, and (3) developments forecasted in other modes of intercity transportation.

(b) CONSULTATION WITH FEDERAL AND PUBLIC AGENCIES AND AVIATION COMMUNITY.—In reviewing and revising the national airport system plan, the Secretary shall consult, to the extent feasible and as appropriate, with other Federal and public agencies, and with the aviation community.

(c) CONSULTATION WITH DEPARTMENT OF DEFENSE.—The Department of Defense shall make military airports and airport facilities available for civil use to the extent feasible. In advising the Secretary of national defense requirements pursuant to subsection (a) of this section, the Secretary of Defense shall indicate the extent to which military airports and airport facilities will be available for civil use.

SEC. 5. AIRPORT AND AIRWAY IMPROVEMENT PROGRAM.

(a) AIRPORT DEVELOPMENT AND AIRPORT PLANNING.—In order to maintain a safe and efficient nationwide system of public-use airports to meet the present and future needs of civil aeronautics, the Secretary is authorized to make grants from the Trust Fund for airport development and airport planning by project grants in accordance with the provisions of this Act in aggregate amounts equal to $875,000,000 for fiscal year 1981; $1,811,000,000 for the fiscal years prior to October 1, 1982; $2,813,000,000 for the fiscal years prior to October 1, 1983; $3,885,000,000 for the fiscal years prior to October 1, 1984; and $5,032,000,000 for the fiscal years prior to October 1, 1985.

(b) OBLIGATIONAL AUTHORITY.—(1) The Secretary is authorized to incur obligations to make grants for airport development and airport planning from funds made available under subsection (a) of this section, and such authority shall exist with respect to funds available for the making of grants for any fiscal year or part thereof pursuant to subsection (a) immediately after such funds are apportioned pursuant to section 6(a) of this Act. No such obligation shall be incurred by the Secretary after September 30, 1985, except that nothing in this section shall preclude the obligation by grant agreement of apportioned funds which remain available pursuant to section 7(a) of this Act after such date.

(2) No obligation shall be incurred by the Secretary for airport development at a privately owned public-use airport unless the Secretary receives appropriate assurances that such airport will continue to function as a public-use airport during the economic life (which in no case shall be less than ten years) of any facility at such airport that was developed with Federal financial assistance under this Act.

(c) AIRWAY FACILITIES AND EQUIPMENT.—(1) For the purpose of acquiring, establishing, and improving air navigation facilities under section 307(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1348(b)), there are authorized to be appropriated from the Trust Fund aggregate amounts equal to $525,000,000 for fiscal year 1981; $1,087,000,000 for the fiscal years prior to October 1, 1982; $1,688,000,000 for the fiscal years prior to October 1, 1983; $2,331,000,000 for the fiscal years prior to October 1, 1984; and $3,019,000,000 for the fiscal years prior to October 1, 1985. Amounts appropriated pursuant to this subsection shall remain available until expended.

(2) The costs of site preparation work associated with acquisition, establishment, or improvement of air navigation facilities by the Secretary pursuant to section 307(b) of the Federal Aviation Act of 1958 shall be charged to appropriated funds available to the Secretary for that purpose pursuant to paragraph (1) of this subsection. Nothing in this Act

shall preclude the Secretary from providing, in a grant agreement or other agreement with an airport owner or sponsor, for the performance of such site preparation work in connection with airport development, subject to payment or reimbursement for such site preparation work by the Secretary from such appropriated funds.

(d) RESEARCH, ENGINEERING AND DEVELOPMENT, AND DEMONSTRATIONS.—(1) The Secretary is authorized to carry out under section 312(c) of the Federal Aviation Act of 1958 (49 U.S.C. 1353) demonstration projects in connection with research and development for the fiscal year ending September 30, 1981. There are authorized to be appropriated from the Trust Fund for purposes of this subsection—

(A) $65,415,000 for air traffic control purposes,

(B) $11,335,000 for navigation purposes,

(C) $7,050,000 for aviation weather purposes,

(D) $1,200,000 for aviation medicine purposes, and

(E) such amounts as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law.

Funds appropriated pursuant to this subsection shall remain available until expended.

(2) Notwithstanding the purposes for which funds are authorized in subparagraphs (A) through (D) of paragraph

(1), funds authorized by such subparagraphs may be used for any other program or project for research, development, or demonstration under section 312(c) of the Federal Aviation Act of 1958 if notice of such program or project has been given to the Speaker of the House of Representatives, the Committees on Science and Technology and Appropriations of the House of Representatives, the President of the Senate, and the Committees on Commerce, Science, and Transportation and Appropriations of the Senate in a manner containing a full and complete statement of the proposed program or project and the facts and circumstances relied on in support of such program or project and (A) a period of thirty days has passed after the date such notice was received, or (B) each such committee has transmitted to the Secretary before the expiration of such period written notice that such committee has no objection to the proposed action.

(e) TRAINING OF STATE AND LOCAL GOVERNMENT EMPLOYEES.—The Secretary is authorized to conduct such training of State and local government employees as the Secretary determines to be appropriate to carry out the purposes of this Act. For costs incurred in such training, including tuition, travel, and per diem expenses, there is authorized to be appropriated from the Trust Fund aggregate amounts not to exceed $250,000 for each of the fiscal years 1981 through 1985.

(f) OTHER EXPENSES.—The balance of the moneys available in the Trust Fund may be appropriated for (1) costs of services provided under international agreements relating to the joint financing of air navigation services which are assessed against the United States Government, and (2) direct costs incurred by the Secretary to flight check and maintain air navigation facilities referred to in subsection (c) of this section in a safe and efficient condition. Eligible maintenance expenses are limited to costs incurred in the field and exclude the costs of engineering support and planning, direction, and evaluation activities. The amounts appropriated from the Trust Fund for the purposes of clauses (1) and (2) of this subsection may not exceed $400,000,000 for fiscal year 1981; $428,000,000 for fiscal year 1982; $458,000,000 for fiscal year 1983; $490,000,000 for fiscal year 1984; and $524,000,000 for fiscal year 1985. No part of the amount appropriated from the Trust Fund in any fiscal year for obligation or expenditure under clause (2) of this subsection shall be obligated or expended which exceeds that amount which bears the same ratio to the maximum amount which may be appropriated under clauses (1) and (2) of this subsection for such fiscal year as the total amount obligated in that fiscal year under subsection (a) of this section bears to that portion of the amount made available for obligation under such subsection for such fiscal year which was not available for obligation for any previous fiscal year. The amount available for obligation or expenditure under clause (2) for any fiscal year, as determined under the preceding sentence, shall be reduced by the amount, if any, equal to twice the difference between that portion of the amount made available for obligation under subsection (c) for such fiscal year which was not available for obligation for any previous fiscal year and the total amount obligated under such subsection in such fiscal year.

(g) PRESERVATION OF FUNDS AND PRIORITY FOR AIRPORT AND AIRWAY PROGRAMS.—

(1) Notwithstanding any other provision of law to the contrary, no amounts may be appropriated from the Trust Fund to carry out any program or activity under the Federal Aviation Act of 1958, except programs or activities referred to in this section.

(2) Amounts equal to the amounts authorized for each fiscal year by subsections (a), (c), (d), and (e) and the third sentence of section (f) of this section shall remain available in the Trust Fund until appropriated for the purposes described in such subsections.

(3) No amounts transferred to the Trust Fund by subsection (b) of section 208 of the Airport and Airway Revenue Act of 1970 (relating to aviation user taxes) may be appropriated for any fiscal year to carry out administrative expenses of the Department of Trans-

portation or of any unit thereof except to the extent authorized by subsection (f) of this section.

(4) No provision of law, except for a statute enacted after the date of enactment of this Act which expressly limits the application of this paragraph, shall impair the authority of the Secretary to obligate to an airport by grant agreement in any fiscal year the unobligated balance of amounts which were apportioned in prior fiscal years and which remain available for approved airport development projects pursuant to section 7(a) of this Act, in addition to the amounts authorized for that fiscal year by subsections (a) and (c) of this section.

SEC. 6. APPORTIONMENT OF FUNDS.

(a) APPORTIONMENT.—On the first day of each fiscal year for which any amount is authorized to be obligated for the purposes of section 5(a) of this Act, the amount made available for that year under such section and not previously apportioned shall be apportioned by the Secretary as follows:

(1) PRIMARY AIRPORTS.—

(A) To the sponsor of each primary airport, as follows:

(i) $6.60 for each of the first fifty thousand passengers enplaned at that airport;

(ii) $4.40 for each of the next fifty thousand passengers enplaned at that airport;

(iii) $2.20 for each of the next four hundred thousand passengers enplaned at that airport; and

(iv) $.55 for each additional passenger enplaned at that airport.

(B) The Secretary shall not apportion less than $200,000 nor more than $12,500,000 under this paragraph to an airport sponsor for any primary airport for any fiscal year.

(C) In no event shall the total amount of all apportionments under this paragraph for any fiscal year exceed 50 per centum of the amount authorized to be obligated for such fiscal year for the purposes of section 5(a) of this Act. In any case in which an apportionment would be reduced by the preceding sentence, the Secretary shall for such fiscal year reduce the apportionment to each sponsor of an eligible primary airport under this paragraph proportionately so that such 50 per centum amount is achieved.

(D) If any Act of Congress has the effect of limiting or reducing the amount authorized or available to be obligated for any fiscal year for the purposes of section 5(a) of this Act, the total amount of all apportionments under this paragraph for such fiscal year shall not exceed 50 per centum of such limited or reduced amount. In any case in which an apportionment would be reduced by the preceding sentence, the Secretary shall for such fiscal year reduce the apportionment to each sponsor of an eligible primary airport under this paragraph proportionately so that such 50 per centum amount is achieved.

(2) PRIMARY HUBS.—

(A) To each primary hub as follows: $0.50 for each passenger enplaned at each commercial service airport which is a part of the primary hub.

(B) The Secretary shall not apportion more than $5,000,000 under this paragraph to any primary hub for any fiscal year.

(C) In no event shall the total amount of all apportionments under this paragraph for any fiscal year exceed 15 per centum of the amount authorized to be obligated for such fiscal year for the purposes of section 5(a) of this Act. In any case in which an apportionment would be reduced by the preceding sentence, the Secretary shall for such fiscal year reduce the apportionment to each primary hub under this paragraph proportionately so that such 15 per centum amount is achieved.

(D) If any Act of Congress has the effect of limiting or reducing the amount authorized or available to be obligated for any fiscal year for the purposes of section 5(a) of this Act, the total amount of all apportionments under this paragraph for such fiscal year shall not exceed 15 per centum of such limited or reduced amount. In any case in which an apportionment would be reduced by the preceding sentence, the Secretary shall for such fiscal year reduce the apportionment of each primary hub under this paragraph proportionately so that such 15 per centum amount is achieved.

(3) Apportionments to states.—

(A) To the States, for airports other than (1) reliever airports which are part of a primary hub, (2) commercial service airports which are part of a primary hub, (3) primary airports, and (4) public airports that are not primary airports and that were eligible for Federal assistance for fiscal year 1980 under section 15(a)(3) of the Airport and Airway Development Act of 1970, there shall be apportioned the following amounts:

(i) $85,000,000 for fiscal year 1981; $91,000,000 for fiscal year 1982; $97,000,000 for fiscal year 1983; $104,000,000 for fiscal year 1984; and $111,000,000 for fiscal year 1985, as follows:

(I) PUERTO RICO, AND INSULAR AREAS.—One per centum of such amounts to the Commonwealth of Puerto Rico, Guam, American Samoa, the Government of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the Virgin Islands.

(II) STATES.—One-half of the remaining 99 per centum to the States (other than those to which subclause (I) of this clause applies) in the proportion which the population of each such State bears to the total population of all such States and one-half of the remaining 99 per centum to the States (other than those to which subclause (I) of this clause applies) in the proportion which the area of each such State bears to the total area of all such States. As used in this subclause, the term "population" means the population according to the latest decennial census of the United States and the term "area" includes both land and water.

(ii) To each State, an additional $200,000 multiplied by the number of commercial service airports which are airports for which funds apportioned under paragraph (3)(A) of this subsection may be used and which are located within such State.

(iii) Such additional sums as may be necessary to carry out subparagraph (B) of this paragraph.

(B) In no event shall the amount apportioned to any State under subclause (II) of subparagraph (A)(i) of this paragraph for a fiscal year be less than one-half of 1 per centum of the total apportionment made by such subclause. No State shall be apportioned less under such subclause as a result of the preceding sentence than such State would have been apportioned without regard to the preceding sentence.

(C) In no event shall the total amount of all apportionments under this paragraph for any fiscal year exceed 20 per centum of the amount authorized to be obligated for such fiscal year for the purposes of section 5(a) of this Act. In any case in which an apportionment would be reduced by the preceding sentence, the Secretary shall for such fiscal year reduce the apportionment to each State under this paragraph proportionately so that such 20 per centum amount is achieved.

(D) If any Act of Congress has the effect of limiting or reducing the amount authorized or available to be obligated for any fiscal year for the purposes of section 5(a) of this Act, the total amount of all apportionments under this paragraph for such fiscal year shall not exceed 20 per centum of such limited or reduced amount. In any case in which an apportionment would be reduced by the preceding sentence, the Secretary shall for such fiscal year reduce the apportionment to each State under this paragraph proportionately so that such 20 per centum amount is achieved.

(4) DISCRETIONARY FUND.—Any amounts not apportioned under paragraphs (1), (2), and (3) of this subsection shall constitute a discretionary fund to be distributed at the discretion of the Secretary (subject to the conditions stated in section 7(b)(4) of this Act) for

such projects at public-use airports as the Secretary considers most appropriate for carrying out the purposes of this Act.

(b) PASSENGERS ENPLANED.—For purposes of determining apportionments for any fiscal year under paragraphs (1) and (2) of subsection (a) of this section, the number of passengers enplaned at an airport shall be based on the number of passengers enplaned at such airport during the calendar year ending during the preceding fiscal year.

SEC. 7. USE OF APPORTIONED FUNDS; MISCELLANEOUS CONDITIONS.

(a) DURATION OF AVAILABILITY.—Each amount apportioned under paragraph (1), (2), or (3) of section 6(a) of this Act shall be available for obligation by project grant agreement during the fiscal year for which it was first authorized to be obligated and the two fiscal years immediately following. Any amount so apportioned which has not been obligated within such time shall be added to the discretionary fund established by section 6(a)(4) of this Act.

(b) USE OF FUNDS AND MISCELLANEOUS CONDITIONS.—

(1) The following conditions apply to apportionments made under section 6(a)(1):

(A) Funds apportioned to a sponsor under section 6(a)(1) of this Act may be used at any public-use airport of such sponsor which is in the national airport system plan.

(B) A sponsor may enter into an agreement with the Secretary whereby the sponsor waives receipt of all or part of the funds apportioned to it under such section on the condition that the Secretary make the waived amount available for an approved project grant to the sponsor of another public-use airport which is a part of the same State or geographical area as the airport of the sponsor making the waiver.

(2) The following conditions apply to apportionments made under section 6(a)(2):

(A) Prior to the distribution of any funds apportioned under section 6(a)(2) of this Act to a primary hub, the sponsor of each airport which is part of such primary hub and which is (i) a commercial service airport, (ii) a reliever airport which is a public airport, or (iii) a privately owned public-use reliever airport wishing to participate in the consolidated improvement plan, shall have submitted jointly to the Secretary a consolidated improvement plan and an annual expenditure program. In addition, such sponsors shall certify that: (I) there is in existence a current airport system plan for such hub prepared by the planning agency responsible for airport system planning for such hub; and (II) the consolidated improvement plan and the annual expenditure program are consistent with such system plan, were prepared in cooperation with the planning agency which prepared such system plan, and are consistent with the objectives of this Act as stated in section 2 of this Act.

(B) Funds apportioned under section 6(a)(2) of this Act shall be distributed by the Secretary pursuant to project grant agreements, in accordance with the annual expenditure program.

(3) Each sponsor of an airport which is located in a State and which is eligible to receive funds apportioned under section 6(a)(3) of this Act may apply to the Secretary for project grants from funds apportioned to such State.

(4) The following conditions apply to funds apportioned under section 6(a) and funds to be distributed at the discretion of the Secretary under section 6(a)(4):

(A) Not less than $225,000,000 of the funds apportioned pursuant to section 6(a) and the funds to be distributed at the discretion of the Secretary pursuant to section 6(a)(4) shall be distributed to reliever airports during the period from October 1, 1980, to September 30. 1985;

(B) In the case of public airports that are not primary airports and that were eligible for Federal assistance for fiscal year 1980 from funds apportioned under section 15(a)(3) of the Airport and Airway Development Act of 1970, during the period from October 1, 1980, to September 30, 1985, the Secretary shall make available to each such airport (at such time during such period as the Secretary considers appropriate) an amount from the discretionary fund established pursuant to section 6(a)(4) that equals the sum of (i) the United States share of the costs of projects at such airport up to an amount equal to (I) $1,000,000 in the case of an airport to which section 15(a)(3)(A)(I) of the Airport and Airway Development Act of 1970 applied during fiscal year 1980, or (II) $325,000 in the case of an airport to which section 15(a)(3)(A)(II) of such Act applied during fiscal year 1980, and (ii) such additional funds as the Secretary, in his discretion, considers appropriate; and

(C) Not less than $45,000,000 of the funds apportioned pursuant to section 6(a) and the funds to be distributed at the discretion of the Secretary pursuant to section 6(a)(4) shall be distributed to planning agencies for the purpose of airport system planning during the period from October 1, 1980, to September 30, 1985.

(c) NOTICE OF APPORTIONMENT.—The Secretary shall give notice to primary airport sponsors, the Governor of each State or the chief executive officer of the equivalent jurisdiction, the sponsors of commercial service airports which are part of primary hubs, and the sponsors of reliever airports which are part of primary hubs, as the case may be, as soon as possible after April 1 of each year of the estimated amount of the apportionment to be made on October 1 of that year.

SEC. 8. SUBMISSION AND APPROVAL OF PROJECT GRANT APPLICATIONS.

(a) SUBMISSION.—Subject to the provisions of this subsection, (1) any public agency, or two or more public agencies acting jointly, or (2) any sponsor of a public-use airport, or two or more such sponsors acting jointly, may submit to the Secretary a project grant application for one or more projects, in a form and containing such information as the Secretary may prescribe, setting forth the project proposed to be undertaken. No project grant application shall propose airport development or airport planning except in connection with public-use airports included in the current national airport system plan prepared pursuant to section 4 of this Act. Nothing in this subsection shall authorize the submission of a project grant application by any public agency which is subject to the law of any State if the submission of such application by the public agency is prohibited by the law of that State. All proposed airport development shall be in accordance with standards established or approved by the Secretary, including, but not limited to, standards for site location, airport layout, site preparation, paving, lighting, and safety of approaches.

(b) APPROVAL.—(1) No project grant application may be approved by the Secretary unless the Secretary is satisfied that—

(A) the project is consistent with the objectives of this Act as stated in section 2 of this Act;

(B) the project is substantially consistent with plans (existing at the time of approval of the project) of public agencies authorized by the State in which such airport is located to plan for the development of the area in which the airport is located and will contribute to the accomplishment of the purposes of this Act;

(C) sufficient funds are available for that portion of the project costs which are not to be paid by the United States under this Act;

(D) the project will be completed without undue delay;

(E) the sponsor which submitted the project grant application has legal authority to engage in the project as proposed; and

(F) all project sponsorship requirements prescribed by or under the authority of this Act have been or will be met.

(2) No project grant application for airport development may be approved by the Secretary unless the sponsor, a public agency, or the United States or an agency thereof holds good title, satisfactory to the Secretary, to the landing area of the airport or site therefor, or gives assurance satisfactory to the Secretary that good title will be acquired.

(3) No project grant application for airport development may be approved by the Secretary which does not include provision for (A) land required for the installation of approach light systems; (B) touchdown zone and centerline runway lighting; and (C) high intensity runway lighting, when it is determined by the Secretary that any such items are required for the safe and efficient use of the airport by aircraft, taking into account the type and volume of traffic utilizing the airport.

(4) No project grant application for airport development may be approved unless the Secretary is satisfied that fair

consideration has been given to the interest of communities in or near which the project may be located.

(5) It is declared to be national policy that airport development projects authorized pursuant to this Act shall provide for the protection and enhancement of the natural resources and the quality of the environment of the Nation. In implementing this policy, the Secretary shall consult with the Secretary of the Interior and the Administrator of the Environmental Protection Agency with regard to any project included in a project grant application involving airport location, a major runway extension, or runway location which may have a significant impact on natural resources including, but not limited to, fish and wildlife, natural, scenic, and recreation assets, water and air quality, and other factors affecting the environment, and shall authorize no such project found to have significant adverse effect unless the Secretary shall render a finding, in writing, following a full and complete review, which shall be a matter of public record, that no feasible and prudent alternative exists and that all possible steps have been taken to minimize such adverse effect.

(6) HEARINGS.—

(A) No project grant application for airport development involving the location of an airport, an airport runway, or a major runway extension may be approved by the Secretary unless the sponsor of the project certifies to the Secretary that there has been afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport location and its consistency with the goals and objectives of such planning as has been carried out by the community.

(B) When hearings are held under subparagraph (A) of this paragraph, the project sponsor shall, when requested by the Secretary, submit a copy of the transcript to the Secretary.

(7) AIR AND WATER QUALITY.—

(A) No project grant application for a project involving airport location, a major runway extension, or runway location may be approved unless the Governor of the State in which such project is to be located certifies in writing to the Secretary that there is reasonable assurance that the project will be located, designed, constructed, and operated so as to comply with applicable air and water quality implementation plans. In any case where such plans have not been approved and where applicable air and water quality standards have been promulgated by the Administrator of the Environmental Protection Agency, certification shall be obtained from such Administrator. Notice of certification or refusal to certify shall be provided within 60 days after the project application has been received by the Secretary.

(B) The Secretary shall condition approval of any such project grant application on compliance during construction and operation with applicable air and water quality standards.

(8) Notwithstanding any other provision of law, the Secretary may approve an application for an airport development project (other than an airport development project to which paragraph (7)(A) applies) at an existing airport without requiring the preparation of an environmental impact statement with respect to noise for such project if—

(A) completion of the project would allow existing aircraft operations at the airport that involve aircraft that do not comply with the noise standards prescribed for "stage 2" aircraft in 14 CFR 36.1 to be replaced by aircraft operations involving aircraft that do comply with such standards;

(B) the project complies with all other statutory and administrative requirements imposed under this Act.

(9) Notwithstanding any other provision of this Act, no airport development project involving the construction or extension of any runway may be approved by the Secretary at any general aviation airport (as defined by section 11(8) of

the Airport and Airway Development Act of 1970, as in effect immediately before the effective date of this Act) located astride a line separating two counties within a single State if, before the submission of such project to the Secretary, such project has not been approved by the governing body of any village incorporated under the laws of that State which is located entirely within five miles of the nearest boundary of such airport.

(c) STATE STANDARDS.—The Secretary is authorized to approve standards, other than standards for safety of approaches, established by a State for airport development at public-use airports in such State which are not primary airports, and, upon such approval, such State standards shall be the standards applicable to such airports in lieu of any comparable standard established under subsection (a) of this section. State standards approved under this subsection may be revised from time to time, as the State or the Secretary determines necessary, subject to approval of such revisions by the Secretary.

(d) ACCEPTANCE OF CERTIFICATION.—The Secretary is authorized in connection with any project to require a certification from a sponsor that such sponsor will comply with all of the statutory and administrative requirements imposed on such sponsor under this Act in connection with such project. Acceptance by the Secretary of a certification from a sponsor may be rescinded by the Secretary at any time. Nothing in this subsection shall affect or discharge any responsibility or obligation of the Secretary under any other Federal law, including, but not limited to, the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), section 4(f) of the Department of Transportation Act (49 U.S.C. 1652), title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000b), title VIII of the Act of April 11, 1968 (42 U.S.C. 3601 et seq.), and the Uniform Relocation Assistance and Land Acquisition Policies Act of 1970 (42 U.S.C. 4601 et seq.).

(e) REQUIREMENT OF NOTICE.—Each sponsor to which funds are apportioned under section 6(a)(1) of this Act shall notify the Secretary, by such time and in a form containing such information as the Secretary may prescribe, of the fiscal year in which it intends to apply, by project grant application, for such funds. If a sponsor does not provide such notification, the Secretary may defer approval of any application for such funds until the fiscal year immediately following the fiscal year in which such application is submitted.

SEC. 9. UNITED STATES SHARE OF PROJECT COSTS.

(a) GENERAL PROVISION.—Except as otherwise provided in this Act, the United States share of allowable project costs payable on account of any project contained in an approved project grant application submitted in accordance with this Act shall be 90 per centum of the allowable project costs.

(b) **PROJECTS AT CERTAIN PRIMARY AIRPORTS.**—In the case of primary airports enplaning 0.25 per centum or more of the total number of passengers enplaned annually at all commercial service airports, the United States share of allowable project costs payable on account of any project contained in an approved project grant application shall not exceed 75 per centum of the allowable project costs.

(c) **PROJECTS IN PUBLIC LAND STATES.**—In the case of any State containing unappropriated and unreserved public lands and nontaxable Indian lands (individual and tribal) exceeding 5 per centum of the total area of all lands therein, the United States share under subsection (a) shall be increased by whichever is the smaller of the following percentages thereof: (1) 25 per centum, or (2) a percentage equal to one-half of the percentage that the area of all such lands in that State is of its total area. In no event shall such United States share, as increased by this subsection, exceed the greater of (A) the percentage share determined under subsection (a) or (b) of this section, or (B) the percentage share applying on June 30, 1975, as determined under subsection 17(b) of the Airport and Airway Development Act of 1970.

SEC. 10. PROJECT SPONSORSHIP.

(a) SPONSORSHIP.—As a condition precedent to approval of an airport development project contained in a project grant application submitted under this Act, the Secretary shall receive assurances, in writing, satisfactory to the Secretary, that—

(1) the airport to which the project relates will be available for public use on fair and reasonable terms and without unjust discrimination, including the requirement that (A) each air carrier, authorized by certificate or exemption to engage directly in air transportation pursuant to section 401, 402, 416, or 418 of the Federal Aviation Act of 1958, using such airport shall be subject to nondiscriminatory and substantially comparable rates, fees, rentals, and other charges and nondiscriminatory and substantially comparable rules, regulations, and conditions as are applicable to all such air carriers which make similar use of such airport and which utilize similar facilities, subject to reasonable classifications such as tenants or nontenants, and combined passenger and cargo flights or all cargo flights, and such classification or status as tenant shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on tenant air carriers, and (B) each fixed-based operator at any airport shall be sub-

ject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport utilizing the same or similar facilities;

(2) there will be no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of services at an airport by a single fixed-based operator shall not be construed as an exclusive right if it would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and if allowing more than one fixed-based operator to provide such services would require the modification of an existing agreement between such single fixed-based operator and such airport;

(3) the airport and all facilities thereon or connected therewith will be suitably operated and maintained, with due regard to climatic and flood conditions;

(4) the aerial approaches to the airport will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards;

(5) appropriate action, including the adoption of zoning laws has been or will be taken, to the extent reasonable, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft;

(6) all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft will be available to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, of the cost of operating and maintaining the facilities used;

(7) the airport operator or owner will furnish without cost to the Federal Government for use in connection with any air traffic control or navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein, or rights in buildings of the sponsor as the Secretary considers necessary or desirable for construction at Federal expense of space or facilities for such purposes;

(8) all project accounts and records will be kept in accordance with a standard system of accounting prescribed by the Secretary after consultation with appropriate public agencies;

(9) the airport operator or owner will maintain a fee and rental structure for the facilities and services being provided the airport users which will make the airport as self-sustaining as possible under the circumstances existing at that particular airport, taking into account such factors as the volume of traffic and economy of collection, except that no part of the Federal share of an airport development or airport planning project for which a grant is made under this Act or under the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate base in establishing fees, rates, and charges for users of that airport;

(10) the airport operator or owner will submit to the Secretary such annual or special airport financial and operations reports as the Secretary may reasonably request;

(11) the airport and all airport records will be available for inspection by any duly authorized agent of the Secretary upon reasonable request; and

(12) the airport operator or owner who receives a grant for the purchase of land for noise compatibility purposes which is conditioned on the disposal of the acquired land at the earliest practicable time will, subject to the retention or reservation of any interest or right therein necessary to insure that such land is used only for purposes which are compatible with the noise levels of the operation of the airport, use its best efforts to so dispose of such land. The proceeds of such dispositions shall be (A) refunded to the United States for the Trust Fund on a basis proportionate to the United States share of the cost of acquisition of such land, or (B) reinvested in an approved project, pursuant to such regulations as the Secretary shall prescribe.

To insure compliance with this section, the Secretary shall prescribe such project sponsorship requirements, consistent with the terms of this Act, as the Secretary considers necessary. Among other steps to insure such compliance, the Secretary is authorized to enter into contracts with public agencies on behalf of the United States. Whenever the Secretary obtains from a sponsor any area of land or water, or estate therein, or rights in buildings of the sponsor and constructs space or facilities thereon at Federal expense, the Secretary is authorized to relieve the sponsor from any contractual obligation entered into under this Act, the Airport and Airway Development Act of 1970, or the Federal Airport Act to provide free space in airport buildings to the Federal Government to the extent the Secretary finds that space no longer required for the purposes set forth in paragraph (6) of this subsection.

(b) CONSULTATION.—In making a decision to undertake any airport development project under this Act, each sponsor of an airport shall undertake reasonable consultations with affected parties using the airport at which such project is proposed.

SEC. 11. GRANT AGREEMENTS.

Upon approving a project grant application, the Secretary, on behalf of the United States, shall transmit to the sponsor or sponsors of the application an offer to make a grant for the United States share of allowable project costs. An offer shall be made upon such terms and conditions as the Secretary considers necessary to meet the requirements of this Act and any regulations prescribed thereunder. Each offer shall state a definite amount as the maximum obligation of the United States payable from funds authorized by this Act, and shall stipulate the obligations to be assumed by the sponsor or sponsors. In any case where the Secretary approves a project grant application for a project which will not be completed in one fiscal year, the offer shall, upon request of the sponsor, provide for the obligation of funds apportioned or to be apportioned to the sponsor pursuant to section 6(a)(1) of this Act for such fiscal years (including future fiscal years) as may be necessary to pay the United States share of the cost of such project. If and when an offer is accepted in writing by the sponsor, the offer and acceptance shall comprise an agreement constituting an obligation of the United States and of the sponsor. Thereafter, in the case of a project for airport development, the amount stated in the accepted offer as the maximum obligation of the United States may not be increased by more than 10 per centum. Unless and until an agreement has been executed, the United States may not pay, nor be obligated to pay, any portion of the costs which have been or may be incurred.

SEC. 12. PROJECT COSTS.

(a) ALLOWABLE PROJECT COSTS.—Except as provided in section 13 of this Act, the United States may not pay, or be obligated to pay, from amounts appropriated to carry out the provisions of this Act, any portion of a project cost incurred in carrying out a project for airport development or airport planning unless the Secretary has first determined that the cost is allowable. A project cost is allowable if—

(1) it was a necessary cost incurred in accomplishing an approved project in conformity with the terms

and conditions of the grant agreement entered into in connection with the project, including any costs incurred by a recipient in connection with any audit required by the Secretary pursuant to section 18(b) of this Act;

(2) it was incurred subsequent to the execution of the grant agreement with respect to the project, and in connection with airport development or airport planning accomplished under the project after the execution of the agreement. However, the allowable costs of a project for airport development may include any necessary costs of formulating the project (including the costs of field surveys and the preparation of plans and specifications, the acquisition of land or interests therein or easements through or other interests in airspace, and any necessary administrative or other incidental costs incurred by the sponsor specifically in connection with the accomplishment of the project for airport development, which would not have been incurred otherwise) which were incurred subsequent to May 13, 1946;

(3) in the opinion of the Secretary it is reasonable in amount, and if the Secretary determines that a project cost is unreasonable in amount, the Secretary may allow as an allowable project cost only so much of

such project cost as the Secretary determines to be reasonable, except that in no event may the Secretary allow project costs in excess of the definite amount stated in the grant agreement; and

(4) it has not been included in any project for airport planning or airport development for which Federal assistance has been granted.

The Secretary is authorized to prescribe such regulations, including regulations with respect to the auditing of project costs, as the Secretary considers necessary to accomplish the purposes of this section.

(b) Terminal Development.—

(1) Notwithstanding any other provision of this Act, upon certification by the sponsor of any commercial service airport that such airport has, on the date of submittal of the project grant application, all the safety equipment required for certification of such airport under section 612 of the Federal Aviation Act of 1958 and all the security equipment required by rule or regulation, and has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning or deplaning from aircraft providing scheduled service, the Secretary may approve, as allowable project costs of a project for airport development at such airport, terminal development (including

multimodal terminal development) in nonrevenue producing public-use areas if such project cost is directly related to the movement of passengers and baggage in air commerce within the boundaries of the airport, including, but not limited to, vehicles for the movement of passengers between terminal facilities or between terminal facilities and aircraft.

(2) Not more than the greater of (A) $200,000 or (B) 60 per centum of the sums apportioned under section 6(a)(1) of this Act to the sponsor of a primary airport for any fiscal year may be obligated for project costs allowable under paragraph (1) of this subsection. Not more than $200,000 of the sums apportioned under sections 6(a) (2) and (3) for any fiscal year may be used by the sponsor of a commercial service airport which is not a primary airport for project costs allowable under paragraph (1) of this subsection.

(3) Not more than $25,000,000 may be obligated for project costs allowable under paragraph (1) of this subsection in any fiscal year at commercial service airports which were not eligible for assistance for terminal development during the fiscal year ending September 30, 1980, under section 20(b) of the Airport and Airway Development Act of 1970.

(4) Notwithstanding any other provisions of this Act, the United States share of project costs allowable under paragraph (1) of this subsection shall not exceed 50 per centum.

(5) The Secretary shall approve project costs allowable under paragraph (1) of this subsection under such terms and conditions as may be necessary to protect the interests of the United States.

(c) Costs Not Allowed.—Except as provided in subsection (b) of this section, the following are not allowable project costs: (1) the cost of construction of that part of an airport development project intended for use as a public parking facility for passenger automobiles; or (2) the cost of construction, alteration, or repair of a hangar or of any part of an airport building except such of those buildings or parts of buildings intended to house facilities or activities directly related to the safety of persons at the airport.

SEC. 13. PAYMENTS UNDER GRANT AGREEMENTS.

The Secretary, after consultation with the sponsor with which a project grant agreement has been entered into, may determine the times and amounts in which payments shall be made under the terms of such agreement. Payments in an aggregate amount not to exceed 90 per centum of the United States share of the total estimated allowable project costs may be made from time to time in advance of accomplishment of the airport project to which the payments relate, if the sponsor certifies to the Secretary that the aggregate expenditures to be made from the advance payments will not at any time exceed the cost of the airport development work which has been performed up to that time. If the Secretary determines that the aggregate amount of payments made under a project grant agreement at any time exceeds the United States share of the total allowable project costs, the United States shall be entitled to recover the excess. If the Secretary finds that any airport development to which the advance payments relate has not been accomplished within a reasonable time or the project is not completed, the United States may recover any part of the advance payment for which the United States received no benefit. Payments under a project grant agreement shall be made to the official or depository authorized by law to receive public funds and designated by the sponsor.

SEC. 14. PERFORMANCE OF CONSTRUCTION WORK.

(a) REGULATIONS.—The construction work on any project for airport development contained in an approved project grant application submitted in accordance with this Act shall be subject to inspection and approval by the Secretary and shall be in accordance with regulations prescribed by the Secretary. Such regulations shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary. No such regulation shall have the effect of altering any contract in connection with any project entered into without actual notice of the regulation.

(b) MINIMUM RATES OF WAGES.—All contracts in excess of $2,000 for work on projects for airport development approved under this Act which involve labor shall contain provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

(c) VETERANS PREFERENCE.—(1) All contracts for work on projects for airport development approved under this Act which involve labor shall contain such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to veterans of the Vietnam era and disabled veterans. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

(2) For purposes of this subsection—

(A) the term "Vietnam-era veteran" means an individual who served on active duty (as defined by section 101(21) of title 38 of the United States Code) in the Armed Forces for a period of more than 180 consecutive days any part of which occurred during the period beginning August 5, 1964, and ending May 7, 1975, and who was separated from the Armed Forces under honorable conditions; and

(B) the term "disabled veteran" has the meaning given such term in section 2108(2) of title 5 of the United States Code.

SEC. 15. USE OF GOVERNMENT-OWNED LANDS.

(a) REQUESTS FOR USE.—Subject to the provisions of subsection (c) of this section, whenever the Secretary determines that use of any lands owned or controlled by the United States is reasonably necessary for carrying out a project under this Act at a public airport, or for the operation of any public airport, including lands reasonably necessary to meet future development of an airport in accordance with the national airport system plan, the Secretary shall file with the head of the department or agency having control of the lands a request that the necessary property interests therein be conveyed to the public agency sponsoring the project in question or owning or controlling the airport. The property interest may consist of the title to, or any other interest in, land or any easement through or other interest in airspace.

(b) MAKING OF CONVEYANCES.—Upon receipt of a request from the Secretary under this section, the head of the department or agency having control of the lands in question shall determine whether the requested conveyance is inconsistent with the needs of the department or agency, and shall notify the Secretary of the determination within a period of four months after receipt of the Secretary's request. If the department or agency head determines that the requested conveyance is not inconsistent with the needs of that department or agency, the department or agency head is hereby authorized and directed, with the approval of the Attorney General of the United States, and without any expense to the United States, to perform any acts and to execute any instruments necessary to make the conveyance requested. A conveyance may be made only on the condition that, at the option of the Secretary, the property interest conveyed shall revert to the United States in the event that the lands in question are not developed for airport purposes or used in a manner consistent with the terms of the conveyance. If only a part of the property interest conveyed is not developed for airport purposes, or used in a manner consistent with the terms of the conveyance, only that particular part shall, at the option of the Secretary, revert to the United States.

(c) EXEMPTION OF CERTAIN LANDS.—Unless otherwise specifically provided by law, the provisions of subsections (a) and (b) of this section shall not apply with respect to lands owned or controlled by the United States within any national park, national monument, national recreation area, or similar area under the administration of the National Park Service; within any unit of the National Wildlife Refuge System or similar area under the jurisdiction of the United States Fish and Wildlife Service; or within any national forest or Indian reservation.

SEC. 16. REPORTS TO CONGRESS.

On or before the third day of January of each year the Secretary shall make a report to the Congress describing his operations under this Act during the preceding fiscal year. The report shall include a detailed statement of the airport development accomplished, the status of each project undertaken, the allocation of appropriations, and an itemized statement of expenditures and receipts.

SEC. 17. FALSE STATEMENTS.

Any officer, agent, or employee of the United States, or any officer, agent, or employee of any public agency, or any person, association, firm, or corporation who, with intent to defraud the United States—

(1) knowingly makes any false statement, false representation, or false report as to the character, quality, quantity, or cost of the material used or to be used, or the quantity or quality of the work performed

or to be performed, or the costs thereof, in connection with the submission of plans, maps, specifications, contracts, or estimates of project costs for any project submitted to the Secretary for approval under this Act;

(2) knowingly makes any false statement, false representation, or false report or claim for work or materials for any project approved by the Secretary under this Act; or

(3) knowingly makes any false statement or false representation in any report required to be made under this Act;

shall, upon conviction thereof, be punished by imprisonment for not to exceed five years or by a fine of not to exceed $10,000, or by both.

SEC. 18. ACCESS TO RECORDS.

(a) RECORDKEEPING REQUIREMENTS.—Each recipient of a grant under this Act shall keep such records as the Secretary may prescribe, including records which fully disclose the amount and the disposition by the recipient of the proceeds of the grant, the total cost of the plan or program in connection with which the grant is given or used, and the amount and nature of that portion of the cost of the plan or program supplied by other sources, and such other records as will facilitate an effective audit.

(b) AUDIT AND EXAMINATION.—The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to grants received under this Act. The Secretary may require, as a condition to receipt of a grant under this Act, that an appropriate audit be conducted by a recipient.

(c) AUDIT REPORTS.—In any case in which an independent audit is made of the accounts of a recipient of a grant under this Act relating to the disposition of the proceeds of such grant or relating to the plan or program in connection with which the grant was given or used, the recipient shall file a certified copy of such audit with the Comptroller General of the United States not later than six months following the close of the fiscal year for which the audit was made. On or before April 15 of each year the Comptroller General shall report to the Congress describing the results of each audit conducted or reviewed by him under this section during the preceding fiscal year. The Comptroller General shall prescribe such regulations as are deemed necessary to carry out the provisions of this subsection.

(d) WITHHOLDING INFORMATION.—Nothing in this section shall authorize the withholding of information by the Secretary or the Comptroller General of the United States, or any officer or employee under the control of either of them, from the duly authorized committees of the Congress.

SEC. 19. GENERAL POWERS.

The Secretary is empowered to perform such acts, to conduct such investigations and public hearings, to issue and amend such orders, and to make and amend such regulations and procedures, pursuant to and consistent with the provisions of this Act, as the Secretary considers necessary to carry out the provisions of, and to exercise and perform the Secretary's powers and duties, under this Act.

SEC. 20. CIVIL RIGHTS.

The Secretary shall take affirmative action to assure that no person shall, on the grounds of race, creed, color, national origin, or sex, be excluded from participating in any activity conducted with funds received from any grant made under this Act. The Secretary shall promulgate such rules as the Secretary deems necessary to carry out the purposes of this section and may enforce this section, and any rules promulgated under this section, through agency and department provisions and rules which shall be similar to those established and in effect under title VI of the Civil Rights Act of 1964. The provisions of this section shall be considered to be in addition to and not in lieu of the provisions of title VI of the Civil Rights Act of 1964.

SEC. 21. REPEALS; EFFECTIVE DATE; SAVING PROVISIONS; AND SEPARABILITY.

(a) REPEAL.—Sections 1 through 31 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1701–1731) are repealed as of the close of September 30, 1980.

(b) EFFECTIVE DATE.—The provisions of this Act are effective as of the close of September 30, 1980.

(c) SAVING PROVISIONS.—

(1) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, grants, rights, and privileges which have been issued, made, granted, or allowed to become effective by the President, the Secretary, or any court of competent jurisdiction under any provision of the Airport and Airway Development Act of 1970, or the Federal Airport Act, which are in effect at the time this Act takes effect, are continued in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary or by any court of competent jurisdiction, or by operation of law.

(2) Notwithstanding any other provision of this Act, amounts apportioned before October 1, 1980, pursuant to section 15(a)(3) of the Airport and Airway Development Act of 1970 which have not been obligated by grant agreement before that date, shall remain available for obligation, for the duration of time

specified in section 15(a)(5) of that Act, in accordance with the provisions of that Act (other than the second sentence of section 14(b)(2)), to the same extent as though that Act had not been repealed.

(d) SEPARABILITY.—If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of the provision to other persons or circumstances is not affected thereby.

SEC. 22. MISCELLANEOUS AMENDMENTS.

(a)(1) Section 308(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1349(a)) is amended by adding at the end thereof the following new sentence: "For purposes of the preceding sentence, the providing of services at an airport by a single fixed-based operator shall not be construed as an exclusive right if it would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and if allowing more than one fixed-based operator to provide such services would require the modification of an existing agreement between such single fixed-based operator and such airport.".

(2) Section 313(c) of the Federal Aviation Act of 1958 (49 U.S.C. 1354(c)) is amended by inserting "the Airport and Airway Improvement Act of 1980," after "this Act," the first place it appears.

(3) Section 1109(e) of the Federal Aviation Act of 1958 (49 U.S.C. 1509(e)) is amended by striking out "Airport and Airway Development Act of 1970" and inserting in lieu thereof "Airport and Airway Improvement Act of 1980".

(b) The Aviation Safety and Noise Abatement Act of 1979 is amended as follows:

(1) Section 101(1) is amended by striking out "air carrier" and inserting in lieu thereof "commercial service" and by striking out "section 20(b) of the Airport and Airway Development Act of 1970 (49 U.S.C. 1720(b))" and inserting in lieu thereof "section 12(b) of the Airport and Airway Improvement Act of 1980".

(2) Section 103(b) is amended to read as follows:

"(b)(1) The Secretary is authorized to incur obligations to make grants from funds made available under section 104(e) for airport noise compatibility planning to sponsors of airports whose projects for airport development are eligible for terminal development costs under section 12(b) of the Airport and Airway Improvement Act of 1980.

"(2) For purposes of this Act, the term 'airport noise compatibility planning' means the development for planning purposes of information necessary to prepare and submit (A) the noise exposure map and related information pursuant to subsection (a) of this section, including any cost associated with obtaining such information, or (B) a noise compatibility program for submission pursuant to section 104 of this Act.".

(3) The last sentence of section 104(c)(1) is amended to read as follows: "All of the provisions of the Airport and Airway Improvement Act of 1980 applicable to grants made under section 5(a) of that Act (except sections 6 and 9 of that Act relating to apportionment and United States share of project costs) shall be applicable to any grant made under this Act, unless the Secretary determines that any provision of such Act of 1980 is inconsistent with, or unnecessary to carry out, the purposes of this Act.".

(4) Section 104(e) is amended to read as follows:

"(e) There are authorized to be appropriated from the Airport and Airway Trust Fund $150,000,000 for fiscal year 1981; $165,000,000 for fiscal year 1982; $180,000,000 for fiscal year 1983; $195,000,000 for fiscal year 1984; and $210,000,000 for fiscal year 1985, for making grants under subsection (c) of this section and section 103(b) of this Act.".

(5) Section 108 is amended by striking out "(1) airport noise compatibility planning carried out with grants made under section 13 of the Airport and Airway Development Act of 1970, and (2)" and inserting in lieu thereof "airport noise compatibility planning and".

(c) Section 13(g)(1) of the Surplus Property Act of 1944 (50 App. U.S.C. 1622(g)(1)) is amended by striking out "Airport and Airway Development Act of 1970" and inserting in lieu thereof "Airport and Airway Improvement Act of 1980".

(d) Section 24 of the Airport and Airway Development Act Amendments of 1976 (49 U.S.C. 1356a) is amended by striking out subsection (c) and inserting in lieu thereof the following:

"(c)(1) There is authorized to be appropriated out of the Airport and Airway Trust Fund for amounts expended before the date specified in paragraph (2) of this subsection not to exceed $19,750,000. No such amounts shall be appropriated prior to September 30, 1980.

"(2) No compensation shall be paid by the Secretary of Transportation under this section for amounts expended after the date which is 180 days after the date of enactment of the International Air Transportation Competition Act of 1979.".

Mr. **Anderson**. To accomplish these objectives, a substantial commitment will be required. During the next 5 years, we can expect substantially increased demands on the system. The FAA forecasts that between fiscal years 1978 and 1990, there will be a 73-percent increase in certificated carrier enplanements; an 89-percent increase in commuter airline enplanements, and a 65-percent increase in the hours flown by general aviation.

Another important consideration is inflation. During the last 5 years, inflation has outrun the rate of growth in the ADAP program. For example, it is estimated that airport construction costs increased more than 60 percent during the 4 years between 1976 and 1979, while during the 5 years between 1976 and 1980, ADAP funding levels increased by only 33 percent.

It is clear that the 1980 authorization levels are purchasing much less airport development than was contemplated in 1976.

The safety needs of the system during the next 5 years will also be great. During this period, the FAA plans to undertake major efforts to establish new airport surface radars, to implement the direct access beacon system, which will be the backbone of a collision avoidance system, to automate flight service stations, and to establish instrument landing systems and other navigational and visual landing aid systems.

The FAA also plans to undertake a substantial program to replace obsolete tube-type equipment with solid state equipment, which will increase reliability and maintenance efficiency.

Other substantial needs are in the area of aircraft noise. We recently enacted the Aviation Safety and Noise Abatement Act, the first comprehensive Federal legislation for aviation noise abatement planning and programs.

These programs must be funded to help alleviate the discomfort and financial injury suffered by more than 6 million persons who are now subject to aircraft noise levels which have been judged unacceptable for residential construction by the Department of Housing and Urban Development.

As I have indicated, our hearings will also consider the related question of airport access. Airport access includes a number of separate but overlapping issues. In the notice of hearing, we have specified some of these issues, and I urge all witnesses to use the notice as a guide in preparing their testimony.

One important objective of airport access is to insure that there are adequate opportunities for all segments of the aviation industry to provide their services. This is particularly important in implementing the Airline Deregulation Act.

The theory of airline deregulation is that prices can be deregulated because a fair price level will be established by competitive forces. In other words, if a carrier tries to charge fares that are too high, a new carrier will enter the market and provide the public with service at a more reasonable fare.

It is critical to the success of deregulation that carriers have the opportunity to enter new markets quickly. On the other hand, because of deregulation and a general increase in aviation activity, it may also be necessary to limit the number of operations at some airports to insure safe operations, to relieve congestion in the air or on the ground, and to reduce noise.

We are searching for procedures which will permit airports to limit overall operations, while preserving the competitive flexibility required by deregulation.

We welcome the participation of all interested persons in reaching a solution to these difficult questions.

I would like to remind all witnesses of our ground rule, requiring that all presentations be limited to 10 minutes. This requirement will help us get through the long schedule of witnesses who have asked to testify during our 4 days of hearings. Longer statements in writing will be included in the record in their entirety.

At this time, I would like to recognize other members for opening statements.

Mr. Goldwater?

Mr. **Goldwater**. Thank you, Mr. Chairman.

I would like to commend you, Mr. Chairman, and Chairman Johnson, Mr. Harsha, and Mr. Snyder for introducing what I believe to be an excellent ADAP bill.

I think it is a bill that both Democrats and Republicans can support, so that House conferees can be in a strong position to negotiate with their counterparts from the Senate.

I would like to take a minute to mention some provisions of the bill which I feel will be especially beneficial to aviation.

First, the rate of expenditure from the aviation trust fund is large enough to make some headway on important safety projects and spend some of the $3.5 billion surplus for its intended purpose. We might even want to consider making this a real trust fund by forcing the administration to take it out from underneath the artificial constraints of the unified budget.

Second, the administration's raid on the trust fund via their operations and maintenance account has been stopped.

Third, safety funds can no longer be used for works of art and sculpture. We all recall last year's expenditure of $200,000 for a sculpture at the Atlanta Airport.

Fourth, the so-called defederalization provision of the Senate's bill has not been adopted.

The administration's proposal to create 50 junior FAA's—in other words, one in each State—has also been dropped.

And last, the ADAP money will be available for privately owned, public-use airports which are relievers. In fact, I would like to see this provision expanded slightly to include a limited number of privately owned, public-use airports which may not be relievers, but are still essential in the national air transportation system.

Mr. Chairman, this is a good bill, and I would be very pleased if you would include me as a cosponsor on this excellent piece of legislation.

Thank you.

Mr. **Anderson**. Thank you, Mr. Goldwater.

Mr. Hammerschmidt?

Mr. **Hammerschmidt**. I have no opening statement, Mr. Chairman.

Mr. **Anderson**. Mr. Clausen?

Mr. **Clausen**. Mr. Chairman, I sincerely appreciate an opportunity to ask unanimous consent that I be permitted to place a more comprehensive statement into the hearing record at this point.

Mr. **Anderson**. No objection; so ordered.

[The following was received for the record:]

Statement by Hon. Don H. Clausen

Mr. Chairman, we are entering a crucial decade in aviation history—the Decade of Decision. Aviation's rapid growth, fueled by government deregulation of airlines, marks the hour of great potential and extraordinary challenge for commercial, commuter, and general aviation air travel. It is time to fulfill our commitment to insure that our national airport system is safe, efficient and functional. The Congress and the Administration must take prompt and affirmative action to accomodate the anticipated surge in air travel.

You may recall, Mr. Chairman, when I took a special order on the floor of the House on August 9, 1967, for the purpose of focusing on the "growing crisis of the lack of airports in the nation." This special order, which was participated in by many of my colleagues, was designed specifically to develop a greater sense of awareness of the problems and the potentials in aviation, and further, to point out the need to develop a positive and assured funding mechanism to develop an integrated, coordinated and balanced airport system. Subsequently, the Congress responded by passing the airport develop program (ADAP) and the airport-airways trust fund was established. The present program authorizations will end in fiscal 1980, and we now are considering legislation to renew the airport and airway assistance programs—an objective I strongly support.

Administration recommendations for funding levels over the next 5 years are shockingly inadequate and disappointingly exclusive with respect to public-use airports—there is no excuse for this.

The time has come for Members of Congress to act now, and I urge support for passage of a more inclusive, national plan of integrated airport systems—a plan that will guarantee maximum safety and access to the entire metropolitan areas of the country, as well as, providing adequate airports for the rural communities of America.

We are in the midst of an airport crisis, created by a boom in air travel, which in 1979 pushed to 300 million the number of passengers carried by domestic airlines—a rise of 75 percent over the past decade. The FAA has estimated that by the year 1990 there will be a 73 percent increase in certified carrier enplanements and an 89 percent increase in commuter airline enplanements. Competing with airway and airport space are 193,000 general aviation aircraft. This number is expected to grow by approximately 4 percent a year throughout this decade to 304,000 aircraft by the year 1991.

Compounding this problem has been a corresponding decrease in the number of public-use airports which are being turned into more profitable concerns, such as shopping centers or apartment complexes. In the past 10 years, we have lost an average of 36 public-use airports per year, the majority of which are located around large cities. A recent report from DOT, entitled "Potential Closure of Airports," estimates that fully 40 percent of the privately owned airports available for public use are expected to close within the next 10 year. An example of this trend can be found in Los Angeles County, where there were a total of 55 general aviation airports in 1949.

Today, only 18 remain to accomodate the 5,000 private and corporate aircraft based in that area. The result of all this has been increasingly crowded airspace, particularly in and around heavily utilized hub airports. Implementation of a national plan of integrated airport systems is totally dependent upon the establishment of smaller satellite airports which would help to relieve the congestion at the larger airports. If we allow the present trend of general aviation airport closures to continue, we will be without the physical resources to accommodate increased levels of traffic, and we will continue to be faced with the safety problems created by the mix of general aviation and commercial air carrier traffic at our major U.S. airports. It is indeed unfortunate that the Federal Government has allowed such a congested airport and airway system to be created in such an uncoordinated manner. The result of all this has been a recent surge in the number of reported "near misses" and aviation accidents, which last year claimed the lives of 350 people in commercial accidents—compared with 153 deaths in 1978.

The worst air disaster in U.S. history occurred over San Diego on September 25, 1978, in which a single-engine Cessna 172 collided with a Pacific Southwest Airlines Boeing 727 as the 66-ton jetliner was preparing to land at Lindbergh Field. 144 people died in that air tragedy, including all 135 aboard the PSA jetliner, 2 occupants aboard the Cessna 172, and 7 residents struck by aircraft debris or engulfed by the flames which destroyed ten houses. The accident revived and intensified the concern over the rapidly rising number of aircraft operating around the most heavily used air routes and airports. In testimony submitted by the Southwest Flight Crew Association to the Government Activities and Transportation Subcommittee it was revealed that in may 1977—16 months prior to this tragedy—an air traffic controller at Lindbergh Field had filed a formal "unsatisfactory condition report" which stated that the potential for a mid-air collision at Lindbergh Field was constant. Specifically, he was alarmed at the mix of both light aircraft and jetliners in the vicinity of the airport, often without positive control, identification or altitude information available to the tower controllers. The significance of this, in my opinion, is that we are hampered by an inability of quickly responding to requests for improvements, which lacks any primary focus on safety. I am pleased to report that today Lindbergh Field is equipped with a terminal radar service area which provides radar sequencing and separation service; it also has since been equipped with a low altitude conflict alert system, and by May 1980, it will have a Group II TCA system in effect. I believe that this air tragedy could have been avoided with these added improvements, and certainly one that should not be repeated. But, a key point needs to be made—if we are to guarantee the maximum in safety potential for the San Diego area, an integrated airport system must be adopted and implemented—with strategically located general aviation airports serving as relievers for the Lindbergh Field air traffic hub. A single airport serving a metropolitan area is no longer adequate.

During the next 5 years, substantial development will be requird to insure that our airport and airway system is safe and able to accommodate the increased traffic which is expected. Regardless of the factors which were determined causal in the San Diego accident, we must take a closer look at present and predicted airport congestion problems and, particularly, the compatibility of general aviation and air carrier aircraft. The substantial growth of traffic into the hub areas will require constant surveillance to assure that air traffic control equipment and procedures are upgraded as necessary to keep pace with this problem. We must expand and upgrade radar coverage throughout the national airspace system; accelerate the installation of automated radar tracking services at all major terminal facilities; further develop and install conflict alert systems; and, most important of all, to develop collision-avoidance hardware which would automatically detect an impending collision and command the pilot to execute an evasive maneuver to prevent mid-air collision.

To meet all of these needs, it will be necessary to fund the airport-airways program at levels commensurate with the need. For the first time in history, the number of applications to FAA requesting funds for airport development and safety upgrading has exceeded $1 billion. These applications have been virtually ignored despite the fact that approximately $3.4 billion lies unobligated in the Airport and Airways Trust Fund. When hundreds of airports serving air carriers lack control towers, runaway approach lights, adequate navigational aids, all-weather landing systems, and the nation's 20 regional control centers are virtually obsolete and cannot safely meet today's increased traffic needs, then it is no wonder that this situation has been recently labelled "a national scandal."

The FAA's most recent estimate is that airport development needs will total $8.7 billion during fiscal years 1981 through 1985. These estimates are based on 1979 dollars and make no allowance for inflation. This fact, along with deregulation efforts, safety requirements, and the need to accelerate the development of our National Plan of Integrated Airport Systems, which must include a master plan of primary hub airports and satellite reliever airports, indicates to me that we must at responsively and expeditiously. At a minimum, this plan should include the following:

First: Each metropolitan area in the U.S. should develop an integrated system of primary hub airports and reliever airports designed to allow both commercial and general aviation aircraft expeditious access with maximum safety into all major U.S. cities.

Second: The establishment of terminal control areas at all major airports, with specified climb and descent quadrants and/or corridors-reserving separate quadrants for air carrier and other quadrants for general aviation to limit the "mixing" of large and small aircraft.

Third: To accelerate efforts to provide terminal area radar, precision landing systems, high-intensity approach light systems, visual approach slope indicators, terminal VOR, communication and tower facilities at all major airports serving both commercial and general aviation.

Fourth: Every incorporated community in the U.S. should have the opportunity for at least one airport serving the community, and every effort should be made to reverse the trend of closing public use airports for more profitable concerns.

Fifth: Expansion of radar coverage throughout the national airspace system, the installation of automated radar tracking service (ARTS), collision-avoidance systems to alert controllers of potential conflicts, and the expansion of positive control airspace to assist the air traffic controller in maintaining a smooth and safe flow of air traffic in high density areas.

Sixth: To broaden the definition of a reliever airport so as to include more public-use airports in developing a more effective plan of integrated airport systems, and to permit eligibility of more public-use airports under the discretionary apportionment.

Seventh: To accelerate construction efforts to upgrade and expand public-use airports designated as reliever airports in all major metropolitan areas.

Eighth: The designation of specific flight training "practice areas" at or near reliever airports, to prevent congestion at major air carrier airports. These airports should be equipped for instrument operations and facilities suitable to meet all the needs of student pilots.

Ninth: Continued expansion and improvements of aviation-aerospace programs in our nation's high schools, colleges and universities.

Tenth: We must accelerate the implementation of our civil aviation information dissemination program, as mandated by Congress, to educate and inform the Public of the important role which aviation plays in our Total Transportation System and the enhancement of our economic and social well-being.

I strongly urge my colleagus to reexamine the funding apportionments over the next 5 years to insure that they are commensurate with meeting the needs of a crisis situation—America's airports are in deep trouble. We have the funds available to carry out the above program without any increase in user taxes. We cannot continue to sit back and ignore the warnings of this crisis, and I urge immediate action to insure that our airports are safe, functional, and the most efficiently operated in the world.

Finally, Mr. Chairman, we must constantly remind ourselves that the eyes of the world are on us. The United States has long been looked upon for leadership in the field of aviation. Our international purpose will be judged by our domestic performance. We must continue to show the way to the developed and developing countries of the world.

Mr. **Clausen**. I do want to join my other colleagues on the committee in commending you and the leadership of our committee for advancing a piece of legislation that I think has the potential of moving us one further step down the road, or down the airway toward this national plan of integrated airport system, which all of us have been working on, going all the way back to the time when we first advanced the concept of a funding mechanism necessary to carry out that objective.

I will be looking forward to working with you and the entire committee, Mr. Chairman. You have demonstrated once again a full commitment and great leadership in aviation matters, and we from California appreciate very much what you are doing, Glenn.

Mr. **Anderson**. Thank you, Don.

Any further comments?

[No response.]

Mr. **Anderson**. Our first witness this morning is James Graham, executive director of the Metropolitan Nashville Airport Authority, and he will be accompanied by Bill Fletcher of Memphis and Samuel Bartholomew of the Metropolitan Nashville Airport Authority. And we are very honored to have two of our colleagues here to introduce two of these members.

First, we will ask Congressman Boner to give us the introduction for Mr. Graham.

Mr. **Boner**. Thank you, Chairman Anderson.

Our Aviation Subcommittee, as you are aware, is beginning consideration today of an important piece of legislation, the Airport and Airway Improvement Act of 1980, H.R. 6721.

I am proud to be able to join with the chairman of the Public Works and Transportation Committee, the chairman of the Aviation Subcommittee, and the ranking minority members, in sponsoring this legislation to renew the airport and airway assistance programs.

The Airport and Airway Development Act of 1970 was a national response to intolerable traffic control delays and increasing concern over the lagging investment in safety facilities, as well as a recognition of the need to provide funds for facilities to cope with the then current and projected growth in aviation.

The original act provided, among other things, for a 10-year investment of $2.5 billion in annual installments from 1971 to 1980 of $250 million for aviation facilities and equipment.

Already, some $2.3 billion has been committed over the past years for the purchase of navigational aids and control facilities, which have contributed to the safety and efficiency of our Nation's air transportation network.

The present program authorization ends in fiscal 1980. During the next 5 years, substantial development will be required insure that our airport system is safe and able to accommodate the increased traffic which is expected.

The FAA indicates that between fiscal years 1978 and 1990, there will be a 73-percent increase in certificated carrier enplanements and 89-percent increase in commuter air enplanements.

During this same period, hours flown by general aviation are expected to increase by more than 65 percent. Substantial airport development will be required to accommodate these increased levels of traffic. To meet the needs of the system, it will be necessary to fund the airport and airway program at higher levels. Inflation has been a serious problem in airport development, as over the past 5 years, inflation has outrun the rate of growth in the program.

For example, Jim Graham has informed me that airport construction costs for Nashville have increased more than 60 percent during the 4 years between 1976 and 1979, while during the 5 years between 1976 and 1980, ADAP funding levels increased only 33 percent. It is clear that the 1980 authorization levels are purchasing much less airport development than was contemplated in 1976.

FAA's most recent estimate is that airport development needs will total $8.7 billion during the fiscal years 1981 through 1985. These estimates are based on 1979 dollars, and make no allowance for inflation.

The safety needs of the system will also be great. During the next 5 years, the FAA expects to undertake substantial replacements of tube-type radar and other equipment which has been in place for the last 20 years. The replacement equipment will be solid state and more efficient in terms of manpower and energy.

During this same period, FAA plans an extensive modernization of its flight service stations including automation of flight plan filing and the processing of weather information used by general aviation.

Further FAA plans include the development and installation of the direct access beacon system, the DABS, which will be the backbone of a collision avoidance system.

The Airport and Airway Improvement Act of 1980 establishes funding levels commensurate with these needs. The funding levels it sets in 1981 include some $875 million for airport development, $525 million for facilities and equipment, $150 million for noise abatement planning and programs, $85 million for research and development, and $400 million for operations and maintenance, all of which are to be funded by the users' fees which have been in existence for the past decade.

It is appropriate for the consuming public throughout the users' fees to derive a benefit through a safer and more efficient national air system.

Mr. Chairman, I appreciate the efforts you, my colleagues on the committee and the staff have made in developing this legislation.

I now have the pleasure of introducing to the committee two members of the next panel. Hon. Harold Ford of Memphis will introduce the third member.

An additional point, Mr. Chairman. I have already recommended to my colleague from Tennessee a copy of our committee report on this legislation for his bedside reading; as he serves on the House Ways and Means Committee, we both agree he might find it of some use.

Jim Graham is presently the executive director of the Metropolitan Nashville Airport Authority, and is president of the Tennessee Association of Air Carrier Airports.

He is accompanied by a personal friend of mine, and an outstanding attorney in Nashville, Sam Bartholomew, who serves as legal counsel to both the airport and the association.

Mr. Chairman, Mr. Graham has demonstrated that Nashville is one of the best financially managed airports in this Nation. The Metropolitan Nashville Airport Authority has served as a model for other authorities for such countries as Bermuda and Canada.

I am pleased that we have such able representation in Jim Graham and in legal counsel, Sam Bartholomew.

Mr. ANDERSON. Thank you, Mr. Boner.

Before we hear from Mr. Graham, I will ask Congressman Ford to introduce the third member, because I know he may have another committee to go to, and we will try to cooperate a little bit.

Mr. FORD. Thank you very much, Mr. Chairman and members of the committee, and to my colleague, Mr. Boner, and members of the panel.

I thank you very much for the opportunity to introduce mygood friend and constituent in Memphis, Tenn., before this subcommittee.

Mr. Willard Fletcher is executive director of the Memphis International Airport. And Mr. Chairman, I know that when we are all faced with the different recommendations that are going to be made by the administration, and when we hear Members of the Congress talking about balancing the budget and cuts in every department and agency, we still realize and recognize the importance of good legislation. And as a member of the Ways and Means Committee, one that has jurisdiction over the airport and airways trust fund, I am here today to say to the members of this committee that we welcome an opportunity to work with the members of this committee in trying to get the legislation enacted in this Congress and before the conferees.

But I am here to introduce Mr. Fletcher, who is executive director of the Memphis and Shelby County International Airport Authority. He is the immediate past president of the Tennessee Association of Air Carrier Airports. I know that his experience will be a valuable asset to the subcommittee as it considers legislation to improve our Nation's airport and airway system.

The Memphis Airport plays a vital role in this system. In 1979, it had a total of 2.5 million enplanements. It is an airport that has grown dramatically and will continue to grow.

Enactment of sound legislation such as H.R. 6721, the Airport and Airway Improvement Act of 1980, is necessary if we are to continue the safe and sound development of airport and airway systems.

I would hope that the present system of providing financial assistance to airports is retained. Improvements need to be made to insure that commuter airports have adequate safety equipment and a reasonable method of reducing the uncommitted balance of trust fund must be devised.

These things can be done by streamlining the present law. And as you know, Mr. Chairman, the Ways and Means Committee will be looking at the legislation because of the tax provision.

And I want you to know that I stand ready to work with you and members of this committee and members of this panel, to work toward a common goal of safe and efficient airport and airway systems.

Mr. Chairman, again, I would like to thank you and members of this committee, and introduce the executive director of the Memphis International Airport, Mr. Willard Fletcher.

Thank you.

Mr. ANDERSON. Thank you, Harold. I want to thank you for appearing here this morning. This seems to be "Tennessee day" down in front of me. I want to comment on the two fine Representatives that you people have here. Particularly, I am able to watch Bill Boner, because he usually sits up here at my right, and I want to let you know of the fine representation that you have.

Before we hear the testimony, I want to say that the hearing record will be open for 2 weeks in order to receive statements for the record. So if you have any problems, that will be for the duration of our hearings. The full text of your prepared statement will appear in the record at this point.

[Statement referred to follows:]

STATEMENT OF THE
TENNESSEE ASSOCIATION OF AIR CARRIER AIRPORTS

on

THE AIRPORT AND AIRWAY DEVELOPMENT ACT OF 1980

before the

SUBCOMMITTEE ON AVIATION
United States House of Representatives

James S. Graham, A.A.E.
President
Tennessee Association of
Air Carrier Airports

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March 1980

Mr. Chairman and Members of the Subcommittee:

The Tennessee Association of Air Carrier Airports at a membership meeting held in Chattanooga on November 15, 1979 spent considerable time discussing pending legislation covering renewal and/or extension of the Airport Development Aid Program (ADAP). These discussions and deliberations naturally considered "defederalization" of this nation's top 72 airports as proposed in the Senate Aviation Subcommittee's Bill numbered S.1648. Defederalization was summarily rejected by unanimous vote of Tennessee Association of Air Carrier Airport's membership. Also, earlier proposals of the Administration to finance a large share of the Federal Aviation Administration's operating and maintenance costs (from $325 million to $1.3 billion in FY'81) was dismissed.

It became very apparent that "defederalization" meant nothing more than loss of federal funding (ADAP) for those airports having the most urgent expansion and improvement requirements to meet ever increasing demands. Funding of FAA O&M costs to extent proposed by the Administration meant using the accumulated surplus within the Airport/Airway Trust Fund. That surplus projected to total $3.5 billion at year-end was largely funded through the eight (8%) percent passenger ticket tax. Those same passengers (user fee payers) were told that funds collected would be used to improve this nation's airport and airway system, not used to offset federal costs customarily paid as general tax fund obligations.

Our Association is a nonprofit corporation composed of nine (9) local political jurisdictions within the State of Tennessee. These nine members own and operate 14 separate public civil airports: 7 - air carrier; 4 - reliever; and 3 - general aviation utility. Nearly eighty percent (80%) of all aircraft operations (landings and take-offs) within the state take place at the seven air carrier airports. Nearly nine million passengers were enplaned/deplaned at Tennessee's Air Carrier Airports during calendar year 1979. Aircraft operations exceeded one million. Daily airline/ commuter schedules number 804.

Airports represented through the Association's membership comprise a total facility investment conservatively valued at $808 million. Current passenger ticket tax at Tennessee's Air Carrier Airports generates an estimated $24 million per year (Trust Fund deposits). That figure is derived by multiplying 4.5 million passengers times $75.00 (average ticket cost) times 8%. The Association strongly believes that it has an undeniable stake in current deliberations concerning future of the Airport Development Aid Program (ADAP).

This is the third significant piece of aviation legislation to be considered by the United States Congress in the past two years. The AIRLINE DEREGULATION ACT OF 1978 was the first impact. The Tennessee Association of Air Carrier Airports testified before both the Senate and House of Representatives (Aviation Subcommittees) supporting moderate regulatory reform. Next came the AVIATION SAFETY AND NOISE REDUCTION ACT OF 1979, total effect of which will not be realized until 1988. The Association actively supported full compliance with noise reduction schedules set out in Federal Aviation Regulation, Part 36.

The current AIRPORT/AIRWAY DEVELOPMENT PROGRAM expires June 30 this year, unless renewed. The Tennessee Association of Air Carrier Airports again comes forward to present and, in fact defend its position with respect to the future of ADAP. The Association's membership without exception supports renewal of the Airport/Airway Development Program continuing ADAP for all airports and at responsible funding levels. That position is predicated on the following points:

- Efficient, cost effective and safe national system of airports must remain a national goal.
- User fee -- Trust Fund concept is still a sound approach.
- New ADAP legislation complements desired aviation facility requirements if made available to all airports.

The Association is urging Tennessee's "House" members to actively and aggressively pursue and protect this position. It did champion Senator Sasser's efforts to amend Senate Bill 1648. Basis for enlisting unified support of Tennessee's Congressional delegation is contained in a formal presentation to that membership given in Washington, D.C., January 23, 1980. A copy of the presentation outline is made a part of this Testimony, marked Exhibit A.

Airport and Airway Improvement Act of 1980 introduced by Aviation Subcommittee Chairman Anderson best mirrors the strong position previously taken by the Tennessee Association of Air Carrier Airports. That Bill (H.R. 6721) is cosponsored by Congressman Johnson, Chairman of the Public Works and Transportation Committee, and Congressmen Harsha and Snyder, the ranking minority members of the full committee and Subcommittee on Aviation.

Frankly speaking, majority of the Association's concerns and problems have been resolved through the House Aviation Subcommittee's Bill (H.R.6721). While those concerns and problems specifically related to "defederalization" proposed and adopted in the United States Senate, the Association feels that they should be made a part of this testimony, looking to the eventual House-Senate Conference Committee work.

CONCERNS & PROBLEMS

1. "Trust Fund" surplus ($3.5 billion projected) lost to airports.
   - ... More than 60% actually paid by passengers at large airports.
   - ... User is misled! They paid for airport improvements not yet made and may have to pay again.
   - ... Loss at Memphis and Nashville to be defederalized 1981 and 1982 respectively, estimated through FY'80 at $19 million.
2. National system of public airports compromised.
   - ... Capacity and facility constraints relate to larger airports.
   - ... Airlines may not approve essential improvements, particularly general aviation oriented projects trading one city off for another.
   - ... High level of general aviation use (80% at Tennessee Airports) may be impacted. Who supports facilities for under-capitalized commuter airlines?

The Tennessee Association of Air Carrier Airports appreciates the manner in which the House Aviation Subcommittee has approached renewal of ADAP. The Association hereby goes on record as supporting H.R.6721 ... AIRPORT AND AIRWAY IMPROVEMENT ACT OF 1980. Contrary to the Senate version, H.R.6721 addresses itself to the continuing need of developing a well integrated system of public airports on a national scale.

Time proven Trust Fund concept is carried forward as the principal development platform! All airports are eligible to receive ADAP funding. Floor debate in the United States Senate made much of continued "welfare" for large airports. That is not the case. To the contrary, if ADAP is not available to all airports, a welfare condition truly exists. A national development program equitably distributed to all is economically based. If that is not to be the case, the user fee Trust Fund concept should be scrapped in favor of a grant-in-aid program funded from general taxation. A situation very similar to that existing prior to the 1970 ADAP legislation.

Previously mentioned earlier pieces of federal aviation legislation, Airline Deregulation and Airport/Aircraft Noise, have put both airports and airlines in a period of adjustment. Discontinuing availability of ADAP funding for all airports would result in increased costs of financing, patchwork-type airport development and an overloading of capital costs insofar as the airlines are concerned. Without front-end ADAP funding and provided the municipal bond market could accept the increased capital requirements, airports/airlines .... consequently all users would end up paying significantly more for needed improvements.

More and more airports are financing capital costs through issuance of Revenue Bonds. Retirement schedules traditionally extend out for 25 to 30 years. Amortization includes principal, interest, and a coverage factor, normally equal to 1.25 of debt service (P&I). A resulting situation very similar to any typical mortgage financing program. Lack of a down payment causes a higher note over the life of the borrowing term. Continuation of ADAP for all airports applying the user fee Trust Fund concept recognizes "pitfalls" associated with total deficit financing. After all, the user is going to pay as it has become increasingly difficult to gain property tax revenues for proprietary functions such as airports.

Applying a typical medium size airport program, there is a wide cost differential between financing with and without ADAP funding. Advance planning and programming of an entirely new Terminal Complex at Nashville Metropolitan Airport (ranked the 49th largest airport nationally) from a financing standpoint can be pointed to. Exhibit B to this Testimony illustrates increased financing costs under the two assumptions, with or without ADAP. Debt service, including coverage, doubles. While project costs used are preliminary (without benefit of detailed architecture/engineering) and revenues/expenses, including amortization of debt have not been refined, magnitude of comparison is easily detected.

These comments and comparisons drawn in the opinion of our Association amplify seriousness of the issues before the United States Congress. Again, the broader, more detailed review being taken by the House Aviation Subcommittee is appreciated by the Tennessee Association of Air Carrier Airports. We offer the following comments and suggestions after reviewing Chairman Anderson's introductory remarks set out in the March 6, 1980 Congressional Record and content of H.R.6721.

COMMENTS AND SUGGESTIONS

1. Congressman Anderson stated that the enplanement formula is adjusted for inflation. Rate of inflation since 1976 (increased construction costs) has risen by 60%. Enplanement levels (funding mechanism) following FY'81 increased by 7% annualy. This could result in a similar situation already experienced. During 1976-1980, ADAP funding levels increased by only 33%.

That disparity is only noted for consideration purposes at time companion tax legislation is introduced. Availability of funding for airport development does need to be kept on a constant purchase value dollar base.

2. Congressman Anderson makes a specific point concerning aircraft noise. Provisions being made for finally coming to grips with this problem (increased funding - $25 million for FY;80 to $150 million in FY'81) were immediately detected during our review. The Association did support the House/Senate Conference Committee's legislation titled, "Aviation Safety and Noise Reduction Act of 1979." At that time we understood that a special $25 million appropriation was made in conjunction with passage. It was learned later that such special funding was sandwiched into the already inefficient total ADAP funding level for 1980.

3. Lack of adequate funding levels over the past years brings us to our next general comment. Not being fully versed in budgetary and appropriation policies of the federal government, we are of the opinion that "earmarked" Trust Fund monies should not only be separately accounted for, but bedgeted and appropriated independently as well. In other words, special user taxes are imposed and collected for a dedicated purpose. Success of that taxation program and inherent development program (Airport and Airway Improvements) is translated into accomplishments, not huge surpluses. Unused funding levels within one given year regardless of the

reason could automatically be transferred to the next succeeding year with any accumulated balance during the last program year being committed during that year. Had this policy been possible earlier, much needed airport and airway improvements could have been made sooner. Nashville Metropolitan Airport, like most other facilities , has unfunded projects (lack of ADAP) extending back to the mid-1970's.

4. Referring specifically to H.R.6721, we believe the following deserve consideration.

... Section 8. Submission and Approval of Project Grant Applications, item (1) (A) thereof, infers that independent projects to be funded with enplanement apportionment monies require specific approval. This is a total departure from the existing Act. Use of enplanement apportionment is currently at discretion of the Airport Sponsor as long as a particular project is considered eligible under specified criteria. In other words, Airport Sponsors should be able to determine priority schedules on a local basis. Also, when determining project eligibility, we find no mention of Airport Sponsors being able to use portion of its enplanement apportionment for paying debt service on projects previously eligible for ADAP funding. A case in point is the Knoxville Airport Authority, a small hub, newly practicing self-sustaining/self-financing philosophies. It has already completed major airfield improvements and constructed a new terminal complex. Ability to use a portion of available enplanement funds for current debt service insures its independent financing status.

... Section 9. United States Share of Project Costs, items (a) and (b) thereof specify allowable percentage of ADAP to be applied against eligible projects. Item (a) stipulates 90 percent for projects. Item (b), however, specifies not to exceed 75 percent of allowable project costs at primary airports enplaning 0.25 percent or more of the total annual passengers enplaned at all commercial service airports.

This appears to be an inconsistency. Item (b) should be changed to read..... shall be 75 percentum of allowable project costs rather than ..... shall not exceed 75 percentum of the allowable project costs. Past ADAP criteria provided for a funding ratio of 90% federal-10% local at smaller airports; and 75%-25% at larger airports.

This concludes our testimony .... as concerns the proposed Airport and Airways Development Act of 1980 introduced through this Subcommittee on Aviation. The Association will now turn to its responses insofar as concerns specific questions posed in the Meeting Notice presented by the Committee on Public Works and Transportation, March 10, 1980. When considering the question of "airport access," it must first be understood that capacity constraints inherent at some of this Nation's largest airports is not a current problem being experienced by the Tennessee Association of Air Carrier Airports' membership. However, we do go on record, inviting attention to past testimony concerning the airports' proprietary rights given at the time this industry was facing the question of whether to deregulate the airlines.

The following comments are arranged in the same order as questions were posed in the above mentioned Meeting Notice.

1. Airport Obligations - Freedom of Access: If we are to consider a national system of airports and air transportation sytem, right of access to all should be maintained. High priority given to construction of reliever airports and installation of navigational aids will go a long way in relieving today's congestion problems. Ground handling facilities; i.e., terminals, aircraft parking, etc., are functions to be provided by the local airport owner/operator. Continuation of ADAP availability for all airports will assist in financing these improvements.

   Lease agreements and contracts between airports and airlines, as well as other type facility users should not be construed as limiting access. Carrying forward the "user fee" concept of rates and fees to be charged by an airport which should not be discriminatory, must cover cost for providing facilities. Tennessee's air carrier airports currently practice the policy that new entries are to execute the same type contract existing between the airport and those currently using the facilities for commercial purposes. If ground handling amenities are not currently available, the airport assists the new entry in every way possible. Long term lease agreements with the air carriers provide for financing of additional construction, including use of special purpose Revenue Bonds. The new entrant is obligated to amortizing exclusive use facilities required and/or requested.

2. Restrictions at Airports to Meet Safety or Capacity Constraints: Again, referring to proprietary rights, the airport owner/operator should be charged with responsibility of dealing with these type problems as they occur. In other words, local government has the responsibility as it does for zoning, fire protection, etc. If a seeking operator feels he has been discriminated against, it may take its case before the local governing body and/or complain to the proper State or Federal Agency having jurisdiction.

3. Allocation of Available Slots: Air space and airport congestion are real problems today. One has only to look to closeby Washington National Airport. The Tennessee Association of Air Carrier Airports does not feel that the airport owner/operator should be involved in allocating available slots. It seems to the Association Members that the commercial users should be able to police that problem, at the same time keeping in mind specific sections of the 1978 Airline Deregulation Act. Responsible facility construction, including reliever airports and designation of co-terminals within metro areas will go a long way in solving the current capacity problem. Further, it appears to our Association that current planning dictates and slot allocation alternatives associated with Washington

National Airport could easily be used in the form of a demonstration program. Results of that demonstration could lead to associated use at other large airports faced with the same problem.

4. Restrictions - Aircraft Noise: As in the case of zoning, land use planning, etc., the local political jurisdiction must have regulatory responsibilities from a comprehensive community planning standpoint. If the Federal Government were to intercede, the Association feels that the Federal Government should accept liability. Significant increase for dealing with noise ($900 million to be appropriated as an integral part of H.B. 6721) represents a commitment to solve the problem, particularly when considering noise compliance requirements set out in the Aviation Safety and Reduction Act of 1979.

The Tennessee Association of Air Carrier Airports appreciates the opportunity of presenting this testimony. We do urge that the United States Congress act expeditiously in enacting legislation that will continue ADAP funding availability for all airports and at responsible annual funding levels. The current Act expires June 30, this year.

Respectfully submitted,

James S. Graham

TENNESSEE ASSOCIATION OF AIR CARRIER
AIRPORTS

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EXHIBITS TO STATEMENT OF THE
TENNESSEE ASSOCIATION OF AIR CARRIER AIRPORTS

on

THE AIRPORT AND AIRWAY DEVELOPMENT ACT OF 1980

before the

SUBCOMMITTEE ON AVIATION
United States House of Representatives

TENNESSEE ASSOCIATION OF AIR CARRIER AIRPORTS SUPPORTS CONTINUING ADAP FUNDING FOR ALL AIRPORTS

A PRESENTATION PREPARED
FOR MEMBERS OF THE U.S.
SENATE AND HOUSE OF REPRESENTATIVES
FROM THE GREAT STATE OF TENNESSEE.

JANUARY 23, 1980
at
WASHINGTON, D.C.

EXHIBIT A

ASSOCIATION REPRESENTATIVES & PROGRAM PARTICIPANTS

CHATTANOOGA	HERBERT BANKS, AIRPORT MANAGER JAMES WILSON ASSISTANT CITY ATTORNEY
JACKSON	WILLIAM MARRISON, AIRPORT MANAGER
KNOXVILLE	FRANK ERICSON, ACTING EXECUTIVE DIRECTOR JAMES PINKERTON BOARD MEMBER
MEMPHIS	TOM SEAL, DEPUTY EXECUTIVE DIRECTOR
NASHVILLE	JAMES GRAHAM, EXECUTIVE DIRECTOR HAROLD J. BLACK, P.E., BOARD CHAIRMAN SAM BARTHOLOMEW, LEGAL COUNSEL
TENNESSEE D.O.T..	FRANK PLEDGER, DIRECTOR - BUREAU OF AERONAUTICS
AOCI - WASHINGTON	JACK CORBETT, VICE PRESIDENT - GOV'T AFFAIRS

FIG. 1

EXHIBIT A (Cont'd)

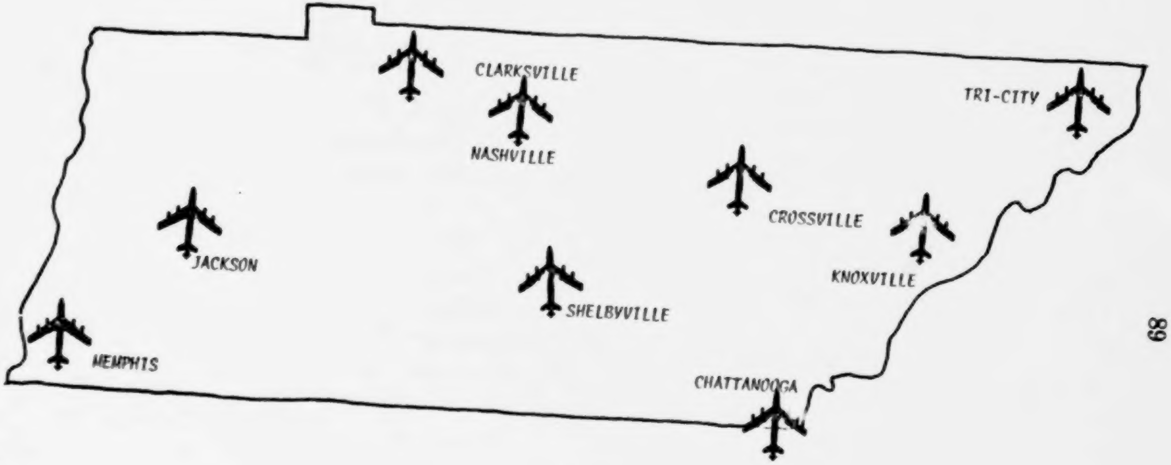
PRESENTATION CONTENT

- INTRODUCTION - THE ASSOCIATION & WHAT IT IS
- FEDERAL AID TO AIRPORTS - BACKGROUND
- FEDERAL AID TO AIRPORTS - COMPARISON OF NEW BILLS
- CONCERNS & PROBLEMS - TENNESSEE'S AIRPORT OPERATORS
- SUMMARY & CONCLUSIONS - POSITION

FIG. 2

EXHIBIT A (Cont'd)

TENNESSEE ASSOCIATION OF AIR CARRIER AIRPORTS


CLARKSVILLE
NASHVILLE
TRI-CITY
CROSSVILLE
KNOXVILLE
JACKSON
SHELBYVILLE
MEMPHIS
CHATTANOOGA

A STATE ASSOCIATION FORMED IN JULY, 1972
IS AFFILIATED WITH TENNESSEE MUNICIPAL LEAGUE
INTEGRATES WITH OTHER AIRPORT TRADE ASSOCIATIONS
---AOCI, AAAE, SAMA.

FIG. 3

EXHIBIT A (Cont'd)

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TENNESSEE ASSOCIATION OF AIR CARRIER AIRPORTS

PURPOSE

- INSURE CONTINUED INTEREST IN TENNESSEE'S AVIATION PROGRAM.
- ENCOURAGE COMMERCIAL AND INDUSTRIAL DEVELOPMENT BY PROMOTING AIR TRANSPORTATION.
- COORIDINATE AVIATION MATTERS WITH USERS, LEGISLATIVE BODIES, AND THE GENERAL PUBLIC.
- SUPPORT DEVELOPMENT OF A BALANCED REGIONAL, STATE, AND NATIONAL SYSTEM OF AIRPORTS.

FIG. 4

EXHIBIT A (Cont'd)

TENNESSEE ASSOCIATION OF AIR CARRIER AIRPORTS

ECONOMIC DATA

- FACILITY INVESTMENT . . . . $808 MILLION
- COMMUNITY BENEFIT . . . . $700 MILLION/YEAR
  (SALARIES, TAXES, PURCHASES)
- AVIATION JOBS 8,300
  (PEOPLE EMPLOYED)
- NUMBER OF AIRPORTS: 100 STATE-WIDE
  7 AIR CARRIER

80% OF ALL AIRCRAFT OPERATIONS OCCUR
AT THE 7 - AIR CARRIER AIRPORTS

FIG. 5

EXHIBIT A (Cont'd)

TENNESSEE ASSOCIATION OF AIR CARRIER AIRPORTS

STATISTICAL DATA*

- ANNUAL PASSENGERS 9 MILLION (ENPLANED/DEPLANED)
- ANNUAL AIRCRAFT OPERATIONS 1 MILLION (66% GA & MIL.)
- DAILY SCHEDULES: 804

AIRLINES	664	(83%)
COMMUTERS	140	(17%)

* 7 MEMBERS ONLY - AIR SERVICE AT CROSSVILLE & SHELBYVILLE DISCONTINUED IN 1974.

FIG. 6

EXHIBIT A (Cont'd)

FEDERAL AID TO AIRPORTS

BACKGROUND

- FEDERAL AID TO AIRPORTS (FAAP), A GENERAL TAX SUPPORTED PROGRAM, WAS TERMINATED IN 1969.
- FAAP WAS REPLACED BY CURRENT AIRPORT DEVELOPMENT AIRWAYS PROGRAM (ADAP) IN 1970. A TRUST FUND CONCEPT SUPPORTED BY TAXES ON AIR TRANSPORTATION USERS ONLY

TICKET	8%
WAYBILL	5%
INT'L	$3.00
FUEL	$0.07
AIRCRAFT LIC., ETC.	VARIABLE

- ADAP LEGISLATION EXPIRES SEPTEMBER, 1980. TOTAL FUNDING LEVEL - $1,250 BILLION (1980); AIRPORTS - $625 MILLION.

FIG. 7

EXHIBIT A (Cont'd)

FEDERAL AID TO AIRPORTS

BACKGROUND

- ESTIMATED ADAP SURPLUS 10/80 - $3.5 BILLION; SURPLUS 6/79 - $4.5 BILLION.
- PROBLEM WITH CURRENT ADAP: INSUFFICIENT FUNDING LEVELS; A LOT OF PAPER WORK.
- FUNDS ALLOCATED TO TENNESSEE - FY 1979/80: $7.7 MILLION.

  CHATTANOOGA $886,420; CLARKSVILLE $144,854; JACKSON $144,854; KNOXVILLE $1,216,081; MEMPHIS $2,160,948; NASHVILLL $1,576,993; TRI-CITY $733,811; STATE GA AIRPORTS $808,345; DISCRETIONARY FUNDING HELD-UP...PART OF NOISE BILL!
- TICKET TAX AT TENNESSEE AIR CARRIER AIRPORTS GENERATES ESTIMATED $24 MILLION PER YEAR (4.5 MIL. PSG. X $75 AVG. TICKET X 8%).

FIG. 8

EXHIBIT A (Cont'd)

FEDERAL AID TO AIRPORTS

COMPARISON OF NEW ADAP BILLS

DIFFERENCES	*ADMINISTRATION*	*CANNON*
I. *SUMMARY OF MAJOR POINTS*	5 YEAR EXTENSION-HIGHER FUNDER LEVELS ALL AIRPORTS.	SAME, EXCEPT LARGE AND MEDIUM AIRPORTS DELETED 1982.
	EXTEND USER TAX LEVELS, INCREASING FUEL TAX.	REDUCE TICKET TAX 8% TO 2%
	INCREASE FUNDING OF FAA O&M COSTS 325 MIL. TO 1.3 BIL. (FY 81).	LIMIT FAA O&M COST INCLUSION TO 350 MIL. (FY 81).
II. *FUNDING OF AIRPORTS*	1981 - $700 MIL. INCREASING 50 MIL. EACH YEAR THRU 1985 ($900 MIL.)	1981 - $750 MIL., THEN $400 MIL. - 1982, INC. BY 50 MIL. EACH YEAR THRU 1985 ($550 MIL.)

FIG. 9

EXHIBIT A (Cont'd)

READEX FICHE

FEDERAL AID TO AIRPORTS

COMPARISON OF NEW ADAP BILLS (CONT'D)

DIFFERENCES	ADMINISTRATION	CANNON
III. NOISE	SINGLE NOISE MEASUREMENT IN ONE YEAR.	
	AID FOR DEVELOPING LOCAL PLANS FOR ACCESSING AND ABATE NOISE EXPOSURE	NOT INCLUDED
IV. GENERAL AVIATION	INCREASED FUNDING FOR ALL SUCH AIRPORTS INCLUDING PRIVATELY OWNED, OPEN TO PUBLIC	SAME
	EXPANDED STATE CHANNELING OF FUNDS--325 AIRPORTS	SAME PER LEVIN AMENDMENT
V. PRINCIPLE THEORY	INCREASED FEDERAL USE OF TRUST FUND	RESTRICT USE OF FUNDS - FAA O&M
	MAINTAIN REVENUE FLOW	TAX CUT

FIG. 10

EXHIBIT A (Cont'd)

CONCERNS & PROBLEMS

TENNESSEE'S AIRPORT OPERATORS

- "TRUST FUND" SURPLUS ($3.5 - PROJECTED) LOST TO AIRPORTS.
    - ★MORE THAN 60% ACTUALLY PAID BY LARGE AIRPORTS.
    - ★USER IS MISLED! THEY PAID FOR AIRPORT IMPROVEMENTS NOT YET MADE AND MAY HAVE TO PAY AGAIN.
    - ★LOSS AT MEMPHIS AND NASHVILLE ESTIMATED THROUGH FY 80 $19 MILLION.
- NATIONAL SYSTEM OF PUBLIC AIRPORTS COMPROMISED.
    - ★CAPACITY AND FACILITY PROBLEMS RELATE TO LARGER AIRPORTS.
    - ★AIRLINES MAY NOT APPROVE IMPROVEMENTS, TRADING ONE CITY OFF FOR ANOTHER.
    - ★HIGH LEVEL OF GENERAL AVIATION USE (80% AT TENN. AIRPORTS) MAY BE IMPACTED. WHO SUPPORTS UNDER CAPITALIZED COMMUTER FACILITY REQUIREMENTS?

FIG. 11

EXHIBIT A (Cont'd)

CONCERNS & PROBLEMS

TENNESSEE'S AIRPORT OPERATORS

- NO GUARANTEED REPLACEMENT FOR ADAP FUNDS

  ★ MEMPHIS AND NASHVILLE LOSS THROUGH FY 85 ESTIMATED AT $15 MILLION (ENPL. FUNDS ONLY). KNOXVILLE COULD REACH MEDIUM-HUB SIZE ALSO AND WOULD LOSE APPROXIMATELY $4 MILLION.

  ★ ALL AIRLINES MAY NOT INCREASE FARES FOR AIRPORT DEVELOPMENT. THEY NEED NEW AIRPLANES. FUEL COSTS INCREASING MONTHLY.

  ★ AIRPORTS WILL HAVE TO NEGOTIATE WITHOUT LEVERAGE.

  ★ LOCAL GOVERNMENT PRE-EMPTED FROM IMPOSING FEE, BUT LOSES ADAP ANYWAY.

  ★ USERS AT LARGE AIRPORTS CONTINUE TO PAY TAX TO BUILD SOMEONE ELSE'S AIRPORT, A PLACE THEY CAN NO LONGER TRAVEL TO BY AIR.

FIG. 12

EXHIBIT A (Cont'd)

SUMMARY & CONCLUSIONS

POSITION

- EFFICIENT COST EFFECTIVE NATIONAL SYSTEM OF AIRPORTS MUST REMAIN A NATIONAL GOAL.
- USER FEE--TRUST FUND CONCEPT IS STILL A SOUND APPROACH.
- NEW ADAP PROGRAM FOR ALL AIRPORTS COMPLIMENTS SYSTEM GOAL.
- TENNESSEE ASSOCIATION OF AIR CARRIER AIRPORTS:
  - ★ SUPPORTS LEGISLATION CONTINUING ADAP FOR ALL AIRPORTS AND AT RESPONSIBLE FUNDING LEVELS.
  - ★ URGES TENNESSEE'S "HOUSE" MEMBERS TO AGGRESIVELY PURSUE - PROTECT THIS POSITION.
  - ★ RECOGNIZES AND APPRECIATES SENATOR SASSER'S EFFORTS IN THE SENATE, NOTING SENATOR BAKER'S CO-SPONSORSHIP OF THE SASSER AMENDMENT TO S.BILL 1648.

FIG. 13

EXHIBIT A (Cont'd)

CONSTRUCTION OF NEW TERMINAL - NASHVILLE METROPOLITAN AIRPORT
-COMPARISON OF CAPITAL REQUIREMENTS-
WITH AND WITHOUT ADAP

MILLIONS OF DOLLARS		WITH ADAP		WITHOUT ADAP
TOTAL PROJECT COSTS		$100.0		$100.0
LESS: AID-IN-CONSTRUCTION	(1)	54.0	(2)	6.0
NET CONSTRUCTION COSTS		$ 46.0		$ 94.0
CAPITALIZED INTEREST ISSUANCE COST BOND RESERVE FUND		17.0		37.0
1975 REVENUE BOND REFUNDING		17.0		17.0
1980 REVENUE BONDS (ISSUE SIZE) REPAYMENT 30 YEARS		$ 80.0		$148.0
TOTAL DEBT SERVICE TO BE PAID 25 YEARS + 23 YEARS INT. PRIN.		$166.0		$326.7

(1) $48 MILLION - ADAP 1980-1985 & $6 MILLION HIGHWAY FUNDING
(2) $6 MILLION HIGHWAY FUNDING

EXHIBIT B

CONSTRUCTION OF NEW TERMINAL - NASHVILLE METROPOLITAN AIRPORT
-COMPARISON OF DEBT SERVICE REQUIREMENTS-
WITH AND WITHOUT ADAP

MILLIONS OF DOLLARS PROJECTED FOR FISCAL YEAR JULY 1, 1987 - JUNE 30, 1988	WITH ADAP	WITHOUT ADAP	DIFFERENCE INCREASE
NEW DEBT SERVICE	$ 7.2	$16.0	$8.8
EXISTING DEBT SERVICE	.4	.4	-
OPERATIONS & MAINTENANCE	7.1	7.1	-
PROJECTED EXPENSES	$14.7	$23.5	$8.8
REVENUE - NON-AIRLINE	9.3	9.3	-
PROJECTED DEFICIT	$ 5.4	$14.2	$8.8
DEFICIT MAKE-UP ALTERNATIVE			
1. AIRLINE FEES			
SPACE RENTAL	2.0	2.0	
LANDING FEE	(A) 3.4	12.2	
	$ 5.4	$14.2	
2. PASSENGER SERVICE CHG. 1987 1.6 MILLION ENPLANED PASSENGERS		(B) $ 8.8	$8.8

(A) LANDING FEE CALCULATED AT $.62 OR $2.22 PER THOUSAND POUNDS RESPECTIVELY.
(B) EQUATES TO $5.50 PER ENPLANED PASSENGER OR 7.3% - AVERAGE TICKET OF $75.00

EXHIBIT B (Cont'd)

Mr. **Anderson**. Please proceed.

TESTIMONY OF JAMES S. GRAHAM, EXECUTIVE DIRECTOR, METROPOLITAN NASHVILLE AIRPORT AUTHORITY, NASHVILLE, TENN., AND PRESIDENT, TENNESSEE ASSOCIATION OF AIR CARRIER AIRPORTS; ACCOMPANIED BY WILLARD FLETCHER, EXECUTIVE DIRECTOR, MEMPHIS/SHELBY COUNTY AIRPORT AUTHORITY, MEMPHIS, TENN., AND SAMUEL W. BARTHOLOMEW, LEGAL COUNSEL, METROPOLITAN NASHVILLE AIRPORT AUTHORITY

Mr. **Graham**. Thank you very much, Mr. Chairman and members of the subcommittee.

To forestall my nervousness appearing before you this morning, I would like to make two statements of fact that I believe will be agreed to in this room today and throughout the hearings as you will be deliberating the issues before the Congress regarding airports.

First, I do truly believe that we live in the greatest Nation of the world. Second, our production of one of the finest, if not the finest, air transportation systems in the world, is through the three parties that have been arranged, in place, since it all began some 50 years ago: Government, the airlines, and the airports.

Moving into my summary testimony, which I beg your indulgence for, again, it is indeed a pleasure to appear before you as president of the Tennessee Association of Air Carrier Airports, and in my full-time capacity as executive director of the Metropolitan Nashville Airport Authority.

Following our summary, Mr. Fletcher and Mr. Bartholomew and I will be available for your questions.

I would point out that the Tennessee Association of Air Carrier Airports is a nonprofit corporation composed of nine airports within the State of Tennessee, which currently receive or have received scheduled air service. These 9 member airports own and operate 14 separate public civil facilities—7 air carrier, 4 reliever, and 3 general aviation utility—representing a total facility investment conservatively valued at $808 million currently.

Nearly 80 percent of all aircraft operations, landings and takeoffs occur at the seven air carrier airports within our State.

Four of our members are self-sustaining, self-financing public corporations, meaning airport authorities, operating without benefit of local tax dollars. Preservation of that type of fiscal solvency and independence is essential.

We as individual airport operators, and collectively through our association, do have a very strong stake in the current deliberations concerning the future of ADAP.

The position statement I will be presenting is covered in far more detail in the written testimony filed with the subcommittee in advance of our appearance before you.

The Tennessee Association of Air Carrier Airports, at a membership meeting held in Chattanooga, Tenn., on November 15, spent considerable time discussing pending legislation covering renewal of the Airport and Airway Development Act of 1970. Those discussions and deliberations naturally considered defederalization of this

Nation's top 72 airports currently being proposed in the U.S. Senate. I refer to S. 1648.

We also considered an earlier proposal of the administration to finance a large share of operating and maintenance costs associated with the FAA, from $325 million in fiscal year 1980 to $1.3 billion in 1981. Both proposals were rejected by our group. Perhaps, as some suspect, one was introduced originally to counteract the other. In either case, the projected trust fund balance of $3.5 billion by yearend was, in our opinion, being improperly applied.

Users of the air transportation system, subsequently the feepayers, have contributed to the trust fund since 1970, and were originally told—and again, in our opinion, still believe—that user taxes collected will be used to improve this Nation's airport and airway system—more particularly, their local airports.

Nearly 9 million passengers were handled at our airports during calendar year 1979. Aircraft operations exceeded 1 million that same year. Passenger ticket taxes at these airports generate an estimated $24 million per year, deposits to the existing trust fund.

Currently, our airports receive some $7 million on a return basis in ADAP funding for expansion and improvement purposes on an annual basis. There continues to be large, unmet capital needs at our facilities. Currently, we have two airports, Memphis and Nashville, that would be ineligible for future ADAP funding in 1981 and 1982, respectively, if a decreasing majority of the U.S. Senate has its way, and defederalization becomes a reality.

The association unanimously supports renewal of the Airport and Airway Development Act, continuing ADAP eligibility for all airports, and at responsible annual funding levels. That position also endorsed by our State Aeronautics Bureau, is predicated on the fact that an efficient, cost effective, and safe national system of airports must remain a national goal.

The user fee trust fund concept is still a sound approach, and new ADAP legislation complements desired aviation facility requirements if made available to all airports.

The association has urged Tennessee's house members to actively and aggressively pursue and protect that position. It did champion Senator Sasser's efforts to amend S. 1648.

The basis for enlisting unified support of Tennessee's Washington congressional delegation is contained in a formal presentation given to that membership in Washington on January 23. A copy of it was made a part of our written testimony. We highlighted several principal factors worthy of mention: again, proper use of the present trust fund balance; large, unmet capital needs; Federal preemption, precluding local communities from levying special user taxes and fees in support of their airports, and lack of any guarantee that lost ADAP will be recoverable from an alternate source. In other words, some would have the Federal Government take with the one hand and refuse to give with the other.

Frankly speaking, the majority of our association's concerns and problems, fully explained in written testimony, have been resolved through the House Aviation Subcommittee's bill, H.R. 6721. While those concerns and problems specifically related to defederalization adopted in the U.S. Senate, the association feels very strongly that they are extremely important when looking to work of the eventual House-Senate conference committee.

The association appreciates the manner in which the House Aviation Subcommittee has approached renewal of ADAP and does go on record supporting H.R. 6721. Contrary to the Senate version, it addresses itself to the continuing need of developing a well-integrated system of airports on a national scale, at the same time respecting local requirements.

The time-proven trust fund concept is carried forward as the principal development platform. All airports are eligible to receive ADAP funding.

Floor debate in the U.S. Senate made much of continued welfare for large airports. That, in our opinion, is not the case. To the contrary, if ADAP is not available to all airports, a welfare condition truly exists, a social program, if you will.

The future of ADAP is the third significant piece of Federal aviation legislation being considered within the past 2 years. First came airline deregulation, followed by airport aircraft noise, and it has placed airports and airlines in a period of adjustment—yes, experimentation, if you will.

Loss of ADAP funding will increase cost of financing, resulting, in our opinion, in patchwork-type airport development and an overloading of capital costs insofar as the airlines are concerned.

Without front-end ADAP funding, and provided the municipal bond market could accept the increased capital requirements, airports and airlines, and consequently all users, end up paying significantly more for needed improvements.

More and more airports are financing capital costs through issuance of revenue bonds, due to nonavailability of tax-supported general obligation bonds. Retirement schedules traditionally extend out 25 to 30 years. Amortization includes principal, interest, and a coverage factor normally equal to 1.25 percent of debt service—principal and interest in that case. A resulting situation very similar to any typical mortgage financing program. Lack of a downpayment obviously causes a higher note over the life of the borrowing term. Continuation of ADAP for all airports, applying the user trust fund concept, avoids that pitfall; we pay as we go. After all, users of a system are going to have to pay. In fact, they have been paying since 1970 and have not as yet received full benefit from their payments when considering the present trust fund surplus.

Financing construction of a new terminal complex at Nashville Metropolitan Airport with and without ADAP was included as a part of our written testimony. Debt service doubles, and that condition continues for the duration of the bond issue.

All of this, in our opinion, amplifies the seriousness of the issue before the U.S. Congress, with the full impact quite possibly never fully understood in the Senate.

Having reviewed Chairman Anderson's introductory remarks, appearing in the March 6, 1980, Congressional Record, and content of H.R. 6721, we offer the following observations and suggestions.

The rate of inflation since 1976 easily translates to increased construction costs rising by 60 percent during the period.

Enplanement funding mechanism following fiscal year 1981 increases by 7 percent only annually. During 1976 through 1980, ADAP funding levels increased by only 33 percent.

Availability of funding for airport development, in our opinion, should be maintained on a constant, purchase dollar value base.

The provision made for finally coming to grips with airport noise problems, meaning increased funding, up from $25 million in fiscal year 1980 to $150 million in fiscal year 1981, is indeed encouraging.

When supporting the Aviation Safety and Noise Reduction Act of 1979, we understood that a special $25 million appropriation for airport noise problems was made in conjunction with passage, only to later learn that such special funding had to be sandwiched into an already inefficient total ADAP funding level for 1980.

Lack of adequate funding levels over the past years, while continuing to build an obnoxious trust fund surplus, brings us to our next general comment.

Success of special user taxes imposed and collected for a dedicated purpose and resulting development programs should, in our opinion, be measured by accomplishments, not huge surpluses. Unused funding levels within one given year, regardless of the reason, could automatically be transferred to the next succeeding year, with any accumulated balance during the last program year being committed during that year.

Had this policy been possible and followed earlier, much-needed airport and airway improvements could have been made sooner and at less cost.

Nashville Metropolitan Airport, like most other facilities, has unfunded projects, due to lack of ADAP spending as far back as mid-1970.

Section 8 of H.R. 6721 infers that independent projects to be funded with enplanement apportionment moneys require some specific approvals. Use of enplanement apportionment is currently at the discretion of the airport sponsor, as long as a particular project is considered eligible under specified criteria. That feature, in our opinion, should be carried forward to the new act.

Also, we find no mention of airport sponsors having the option to continue to use portions of their enplanement money for current debt service on eligible projects already constructed.

The Knoxville Airport Authority, a small hub, and newly practicing self-sustaining, self-financing philosophies, has already completed a major airfield improvements and constructed a new terminal complex.

Ability to use a portion of available enplanement funds for terminal bond indebtedness insures its ongoing, independent financing status.

Section 9 of H.R. 6721 stipulates 90 percent Federal funding share of cost for certain projects. Item (b), however, of that section specifies not to exceed 75 percent of allowable project cost for airports our size. This, in our opinion, appears to be an inconsistency, and we would suggest that a change be made to read something as follows: "shall be 75 percentum of allowable cost." This change is also consistent with the present act.

We now take a few moments to turn to questions posed in the March 10, 1980, meeting notice issued by the Committee on Public Works and Transportation.

When considering the question of airport access, it first must be understood that capacity constraints at some of the Nation's airports is not a problem for any of our association's members.

However, we do go on record, inviting attention to past testimony given when the question of airline deregulation was deliberated. In summary, an airport's proprietary rights must be preserved.

If we are to continue developing a national system of airports, freedom of access to all should be maintained. High priority given construction of reliever airports and installation of navigational aids at existing facilities, as proposed by H.R. 6721, will go a long way in relieving today's congestion problems.

Providing of ground-handling facilities is a function of the local airport owner-sponsor. ADAP funding availability, again pointing to H.R. 6721, for all airports assists financing those improvements. Airport lease agreements with airlines and others should not be construed as limiting access. Carrying forward the user fee concept, nondiscriminatory rates and fees charged by an airport, however, must cover costs of providing facilities.

Tennessee's air carrier airports practice the policy that new entries execute the same type contract existing between the airport and the current users. Long-term lease agreements with air carriers are our principal financing vehicle and mainstay for fiscal solvency do provide for constructing additional facilities. Also, they do not preclude use of special revenue bonds for exclusive use facilities. The new entrant, in either case, is obligated to amortize exclusive use facilities requested, paying the same charges as others for nonexclusive facilities.

Again referring to proprietary rights, the airport owner-operator should be charged with the responsibility for dealing with problems of safety and capacity. In other words, local government has the responsibility, as it does for zoning, fire protection, and so forth. If a seeking operator feels he has been discriminated against, it may take its case before the local, State, and Federal agencies having jurisdiction. Interference with interstate commerce and free trade are already compensated for in the existing governmental process. Air space and airport congestion during particular hours of a day are real problems today. One has only to look to closeby Washington National Airport.

The Tennessee Association of Air Carrier Airports does not feel that the airport owner-operator should be involved in allocating available slots. It seems to association members that the same commercial users causing the problem should be required to police it, applying governing provisions of the 1978 Airline Deregulation Act.

Responsible new facility construction, including reliever airports, and designation of coterminals within metropolitan areas, will surely serve to alleviate much of the problem.

Current planning directions having to do with slot allocation alternatives at Washington National Airport perhaps could be used as a form of demonstration program.

With respect to aircraft noise and airport restrictions, the local political jurisdiction should have regulatory responsibilities from a comprehensive community planning standpoint.

If the Federal Government were to intercede, the association feels that it should accept liability for its actions.

Significantly increased funds dealing with noise, $900 million, to be appropriated as an integral part of H.R. 6721 and the Aviation Safety and Noise Reduction Act of 1979, in our opinion represent a fine commitment to solve the problem.

We do urge that the U.S. Congress act expeditiously, enacting legislation that will continue ADAP funding availability for all airports, again at responsible annual funding levels.

The current act, as you know, expires June 30 of this year, and time is of the essence.

In conclusion, I take this opportunity to reflect on the fact that it was through efforts of the House of Representatives that an acceptable aircraft and airport noise bill was enacted.

We are counting on your persuasions to keep this Nation's system of airports and the current development program intact.

H.R. 6721 is a good, solid approach. A safe, efficient system of airports is a prerequisite to our economy, yes, even during these trying times.

Dedicated taxes are being collected and should be used. The airport and airway trust fund is a prefinanced program, noting the $3.5 billion surplus. Without it, communities cannot effectively plan their economic welfare, nor see to their own stability.

Nashville's proposed expansion is classic of that analogy. We cannot raise user fees locally, and ADAP is considered the principal conduit for meetings between the airlines, members of the private sector, and the public entity involved, the airports.

Again, thank you very much.

Mr. ANDERSON. Thank you, Mr. Graham, for an excellent statement.

Mr. Graham, information furnished by the Airport Operators' Council International indicates that both Nashville and Memphis have majority interest clauses in their agreements with the airlines. Could you explain the effect of these clauses on the airports' ability to obtain airline financing for capital improvements?

Mr. GRAHAM. Yes, sir. We have what is called a 30-year, break-even lease agreement with the carriers. They underwrite all costs of the airport, less all revenues other than airline, which is a traditional type of lease agreement used to sanctify and solidify an airport authority operation. The majority in interest clause in the lease requires that we have a 50 percent vote of the nine carriers serving Nashville, based on landing weight, for the preceding calendar year before we may undertake any capital improvement that costs in excess of $20,000 a year.

Mr. ANDERSON. Would your bargaining position with the airlines for capital improvements change if Memphis and Nashville airports were defederalized and made ineligible for ADAP funds?

Mr. GRAHAM. Yes. I believe we would forfeit leverage, if you will. The amount of money we are receiving currently at Nashville—which, then I will defer to Mr. Fletcher from Memphis—is approximately $1.6 million. That is cash-in-hand. It does allow us, then, to finance the difference, the net difference, with revenue bonds. The impact is not as catastrophic on the airlines. So we consider the ADAP funding as leverage.

Mr. Anderson. Mr. Fletcher?

Mr. Fletcher. Mr. Chairman, there is a point that I feel is very important. We, too, have a similar agreement with the carriers. We have an outstanding relationship with our carriers. But deregulated environment—the carriers in their negotiating committees in years past were willing to work with each other, in a club, if you will. Today, the carriers' plans are very proprietary in nature.

I can see evidence of the club falling apart. In this environment, we have absolute competition. No longer is it who can have the prettiest airplanes or serve the most champagne. The route structures are becoming very, very proprietary.

I quote Mr. Dick Ferris of United in a speech he gave, in which he said that "Macy's are not telling Gimbel's what they are going to do," and that is precisely what the carriers are thinking today.

As a consequence, the club would sit around the table and negotiate these capital improvements with the airport owner and operator—that is not going to be there much longer.

Competition in itself is going to dictate that the carriers are not going to be as cooperative as they were in the past.

Mr. Anderson. Is this competition a result of the deregulation bill?

Mr. Fletcher. Yes, sir. But that is our real concern, the so-called break-even or net lease concept with the carriers.

At a very minimum, we would be concerned that the carriers would not perceive the need at the time that the airport owner would perceive that need, and thus, we could go into delays. Or, given an economic environment as we have today, United lost $99 million for a number of reasons, the strike and others.

But their ability to go all the way without some ADAP funding is very much in question.

Mr. Graham. Mr. Chairman, I might add that in our summary statement and also our written testimony, we try to point out that Tennessee's air carrier airports have a high productivity of general aviation traffic, in fact, 80 percent. It is hard for me to conceive an airline voting money and pledging its full faith and credit for improvements in general aviation that happen to operate, live and survive off an air carrier airport, and that is another reason why defederalization is so onerous to the situation today.

Mr. Anderson. You have almost answered my next question, Mr. Graham. Do you think there are some types of projects which would be funded by the FAA under ADAP, but which would not be funded by the airlines if your airports were not eligible for ADAP funding?

Now, you specified the general aviation. Would you want to expand on that, and are there any other projects that you think might not be funded?

Mr. Graham. Yes. I believe that general aviation has a rightful place at the air carrier airports. We are talking about reliever airports for future growth and saving of our critical air space over the high-density airports.

However, the airlines, with their own problems, their own cash and capital requirements that they are having, are not going to, in my opinion, approve taxiway overlays. They are not going to approve security fencing for general aviation because those are far removed from the terminal complex. They will not approve new runways, they will be talking about. "Let us move general aviation off this airport, and we will not need a new runway." And, general aviation obviously carries a great number of passengers to and from our close-in cities today, if for no other reason than deregulation.

Mr. **Anderson**. Do you expect that any Tennessee airports will be applying for funding or noise abatement planning and programs under the Aviation Safety and Noise Reduction Act of 1979, and would your answer be different if there is increased funding for noise programs as contemplated by H.R. 6721?

Mr. **Graham**. I can speak very personally to that. Following the airport and aircraft noise bill coming out of conference committee and ultimately adopted and signed by the President, we made a special trip to Washington late last month, in an attempt to gain some of the $25 million that was set out in that bill. We learned that, really, there was not any new money in that bill, and it had to fit into the last year's appropriation for ADAP today.

We began a land acquisition program in Nashville in 1974. Land acquisition for noise abatement, noise buffering, and what-have-you, is a low priority today, based on the existing availability of funds. That project was fully funded insofar as Nashville was concerned by revenue bond issues at 25 percent of the cost of the land, $8 million and 1,000 acres. We are now 60 percent through, and based on the current level of money that is trickling to us, it will be 1982 before we are through—a 3-year program that has stretched from 1974 until 1982.

We have a dire need. We have property owners that want to move, be relocated. However, we do not have the Federal matching funds under the present levels.

Mr. **Anderson**. Do airports in Tennessee have substantial needs for new and additional projects under the facilities and equipment authorization. I have in mind such items as new radars, modernization of flight service stations, upgrading of radars and computers, and installation of instrument landing systems, and other navigation and visual landing aid systems.

Mr. **Graham**. Yes, sir, they do. I indicated we do have reliever airports and utility airports that are currently noninstrumented.

At our air carrier airports, we have an airport in Chattanooga that is still trying to come up with category 2 systems. In Nashville, FAA is currently housed in a control tower built by the city in 1955. You can imagine the obsolescence of that facility.

So definitely, we do have a dire need for more F. & E. work in our State.

Mr. **Anderson**. You referred to reliever and utility airports. Now, we do not have a classificiation of utility. That must be something that you have in Tennessee. What is a "utility" airport?

Mr. **Graham**. It is a nonreliever. It is general aviation. A spotting of air cargo and general aviation and military. We use them as utilities, not necessarily relievers.

Smyrna Airport is an example, in our opinion, a utility. It is not air carrier nor is it reliever. It is strictly air cargo, presently.

Mr. **Anderson**. What would be the difference between that and a general aviation airport, then? Would that be the same as a general aviation?

Mr. **Graham**. General aviation, yes.

Mr. **Anderson**. Do you anticipate that there will be any need for airports in Tennessee to limit operations to relieve congestion or reduce noise, and if so, what procedures do you think should be used to divide capacity among the airlines?

Mr. **Fletcher**. The capacity problem as we see it right now, Mr. Chairman, is not really severe. We do have a State system plan that addresses itself primarily to additional reliever airports.

In our area, we have adequate runway capacity now, with the large airport and two relievers. We also sit in the southwest corner of the State, our neighbors, Arkansas to the west and Mississippi to the south, particularly in Arkansas are developing reliever airports.

We do not see that as a real problem at the moment.

Mr. **Graham**. Nashville has a reliever airport that has been in the planning stage since 1964. The property was acquired in 1973. We have completed all the master planning and documentation required to proceed with construction. The project is delayed; no Federal money. It is a reliever for Metro Nashville; not only from capacity, but from a future growth standpoint. Within the State, our number of based aircraft is increasing at the rate of 9 percent per annum. Of course, it does increase the use of Metro Nashville. We are out of hangar facilities, and we would like to develop the reliever airport for future growth.

That application and that project have been alive since 1973, insofar as the national airport systems plan, unfunded, if you will.

Mr. **Anderson**. I met with some people in my area over the weekend. The reason I bring this up is I asked you what procedures you think might be used. I was thinking of the Orange County Airport in my general area. It was built with a capacity of 600,000 enplanements. They are now up to 1.6 million. They put a limitation of 48 flights in and out, and they have those 48 flights. Those are divided by two big air carriers and one small commuter, so there are three carriers coming in. And now, several other new companies want to start service in addition to the 48 or get part of the 48, now they are already almost three times over what they consider their original legal capacity.

Now, our problem is what procedure do you think should be used to divide that capacity? How should that be handled? Should the present carriers that have built up the trade and have been servicing the county remain and keep what they already have, or should their shares be taken away and given to somebody else who wants to get in?

Would you like to answer that?

Mr. **Fletcher**. May I please, Mr. Chairman?

Mr. **Anderson**. Yes.

Mr. **Fletcher**. The question of access—I would like to make this one statement first and get back to the Orange County. I submit respectfully that the question of access, or constraints that are perceived to be there, are not really there as a system of airports across the country. We have a few isolated cases, and you spoke to the one, Orange County. That is a real $64 question. It depends on whether or not the county wants to have a large air carrier airport.

Our constraints with San Diego are working very hard to accommodate the new entrants. Their constraints, primarily as I understand it, are State law, noise.

In Orange County, there is really a very simple answer, I think. No. 1, the county must make the determination if they want a large air carrier airport, as opposed to using LAX or Burbank or whatever. And if that is the case, then the new entrants should be willing, on a businessman's risk, to commit to the runways and to the brick and mortar that will be required to add that capacity.

That is an oversimplification, but that is the free enterprise system, and if the carriers want to come into Orange County, that is the way it should be done.

Mr. **Anderson**. Mr. Gingrich?

Mr. **Gingrich**. Thank you, Mr. Chairman.

I want to commend you for this dialog. I think in the question and answer session, you brought out some very, very important things we have got to consider in looking at this renewal. I would like to pursue some of this further.

To set the stage, as you know, there is a considerable amount of concern about the capital investment in the safety system that FAA is developing and the degree to which expenditure on radar and computers is limited by OMB because of unified budget concepts.

I would like to get your reaction, gentlemen, as evidenced by airports in Tennessee. What are your concerns, looking at the 1980's in terms of air safety and general system capability?

Mr. **Graham**. I believe, sir, that we are experiencing a new transition. We experienced one in 1960 with the advent of the jet on a heavily commercialized use basis. I believe this same circumstance will take place in the 1980's. I believe the system was totally improved in advance in the seventies, and I believe the eighties foretell us that we must make those kinds of expenditures to stay ahead of the problem.

Mr. **Gingrich**. What are your concerns about the current patterns? Do you see us ahead of the process or behind schedule. Where would you place us on that?

Mr. **Graham**. From the standpoint of the large airports and the impact of deregulation, we are behind. That is why we have the capacity and constraint problems, not only in terminals or aircraft gates or roads or parking lots, even air space.

We opened the door before we were ready to accommodate what came out, and that happened in 1978.

Mr. **Gingrich**. So that numerically, we are seeing more activity without necessarily a comparable increase in the quality of the system.

Mr. **Graham**. Precisely. Nashville's passenger growth alone since 1978 has grown by 25 percent. That is a little bit above the national average, but there are airports that have had higher growth factors. And we are looking at facilities for the most part that were built in the 1960's, and now we are in the 1980's, and we have got to prepare ourselves.

Mr. GINGRICH. In a way, we seem to be caught in a double bind. The Office of Management and Budget on the one hand says you cannot really invest the way we should in capital investment in the system because of budget constraints, and then turns around and says you ought to drain off money for operations and maintenance.

How would your association react to the notion of putting the trust fund outside the unified budget?

Mr. GRAHAM. I would certainly subscribe to that, and recalling my testimony, is what I was attempting to say. In the Senate bill and the current ADAP bill, we have always had a horror of taking money from an airport and using it to build sewers on the east side of a city. That is a given factor, and we certainly support that resolution. Do not take airport money for something else and not build the airport.

But we have a similar situation now. The taxes are being paid. We have an obnoxious trust fund balance. And we cannot see to the expenditures, because the money is not forthcoming.

Mr. GINGRICH. There is a question that is raised, in this period of budget cutting and fighting inflation. If we do not pay for operations and maintenance out of the trust fund—and I agree with you, I do not think we should—then how would you finance operations and maintenance at a time when we are trying to cut the overall budget?

Mr. GRAHAM. I believe you talked about unified budgeting for the services provided by the Government. ADAP, in my opinion, is not a service provided by the Government. It is a service that is utilizing the Government to redistribute the money on an equitable basis. So I think it is entirely far afield of any budget cuts. It is for brick and mortar work. Since we deregulated the industry, we do have safety problems, we do have capacity problems. We have got new airplanes on order, and they are coming. We have got to be ready.

Mr. GINGRICH. I am particularly glad to have you all up here today, because one of the concerns, since I represent the Atlanta Airport, is that some pilots have been expressing to me, and this frankly surprised me, that it was their feeling that they were actually safer coming into an Atlanta airport, where they knew that there is enormous air traffic density, than coming into some of the smaller airports where both the FAA staff and the local pilots may be less used to that kind of dense, constant awareness.

Would you feel that we need to be more concerned about the medium- and small-sized airports being used by commercial aviation and that there has been, to some extent, too much attention paid to the large hubs?

Mr. GRAHAM. I think we need a balanced system, and I think we need to realize that with deregulation, we now have a commuter industry that is flying 9-, 12-, and 19-place aircraft. Those aircraft are going into the smaller cities, the Jackson, Tenn., the Shelbyvilles, the Clarksvilles, as far as essential service. Those facilities also need to be upgraded and made safe for the people utilizing them for commercial airline business.

Mr. **Gingrich**. There is a debate going on about the whole system—the air safety system, about the maintenance personnel, about the air traffic controllers. In your judgment, is that system overstaffed, understaffed, or just right. How would you characterize the system in terms of field personnel actually working—not in administration, but in running the system?

Mr. **Graham**. It is very difficult for me to comment on that. I am not begging the issue as to whether it is efficient, inefficient, overstaffed, or what-have-you. We are not that close to the FAA functions insofar as their operations, or staffing requirements, their manning prerequisites, or what-have-you.

Mr. **Gingrich**. If Congress were to remove the large and medium hubs from ADAP, wouldn't these airports find it very difficult to negotiate with the carriers for long-range capital improvement projects, with the current liberalized entry and exit system in a deregulated environment?

Mr. **Graham**. I think it would be very difficult, and I think if the airlines truly were to negotiate, and the ticket tax itself were to be incorporated as a fare tax or part of the fare, then the airlines would have the money and theoretically, are they going to give it back?

But as Mr. Fletcher pointed out, we now have new competition within the industry. Will they all increase it? We have air carriers that have less than 1 percent of a total airport's enplanements. What stake does he have in new facilities when you are talking about negotiating with nine, and in Atlanta's case, obviously a lot more?

ADAP is a user fee. We gave birth to it in 1970 to get the airports ready for that particular decade. And it was to overcome the problems with FAAP in the 1960's, which was nonexistent, being funded out of the general tax dollars.

So we need ADAP, and that is why we are here.

Mr. **Gingrich**. Let me pursue that for just a second. As you know, I represent a very large hub. Do you think that the medium hubs would be able to survive well in ADAP if only the very largest hubs were excluded? Do you think the same problems would apply to the very largest hubs if we had only, say, the top 10 or 12 excluded from ADAP? Are they going to have the same difficulty in negotiating that you see developing across the board?

Mr. **Graham**. He is a bigger airport.

Mr. **Fletcher**. I would like to answer that question with a question. I do not know what eliminating, say, the top half dozen or top dozen would do to the program. I think it would be grossly inequitable.

Mr. **Gingrich**. To whom?

Mr. **Fletcher**. Well, to the large airports, certainly. That is the problem with Mr. Cannon's bill. Why should the citizens of Atlanta pay whatever percentage comes out of this legislation in the form of a tax on the ticket and have no point of return? It is grossly inequitable.

Mr. **Gingrich**. So in a sense, if you were going to exclude the large hubs from ADAP, you would also exclude them from the ticket tax?

Mr. **Fletcher**. Which suggests that either all airports be in the program, or none at all.

Mr. **Gingrich**. OK. One last question, if I may, Mr. Chairman. Do you support the provision in H.R. 6721 which extends ADAP eligibility to privately owned, public-use relievers?

Mr. **Fletcher**. Certainly, we surely do. They are as important to the system as the public-owned airports.

Mr. **Gingrich**. Thank you.

Thank you, Mr. Chairman.

Mr. **Anderson**. Mr. Hefner?

Mr. **Hefner**. Thank you, Mr. Chairman.

I do not really understand all the pros and cons about it, not having a large airport in my district—but under defederalization, could there be a situation where the carriers, if you were negotiating, would insist on conditions that would be detrimental to the general aviation public?

Mr. **Graham**. Is there a situation such as that?

Mr. **Hefner**. Is that a worry, or is that a possibility?

Mr. **Graham**. Yes; I think we are looking at capacity problems during peak periods, and you would naturally give preference to the air carriers insofar as landing and letting general aviation stay out of the air space. If an airport has to be expanded to accommodate the continued flux of general aviation—which we have a very high use in Tennessee—you would have a problem in funding a new runway for general aviation at a given airport. It could happen.

Mr. **Hefner**. I have not attended all the hearings, but under defederalization, who benefits from this type legislation in the Cannon bill; who are the big winners in this? There have got to be some winners and some losers, and know when to hold them and when to fold them, and this sort of thing.

Mr. **Graham**. No, sir; there are no winners in that bill. It is strictly a regressive situation. Obviously, the user does not gain, because he is going to pay the costs anyway. The airlines do not gain, because they are going to have higher front-end financing costs, and the airports do not gain, because they are caught in the middle. And, the entire system is going to suffer.

Mr. **Fletcher**. Let me address that, too. There is a real conflict and a real paradox in the Cannon bill as it came out of the Senate. Mr. Cannon uses the word, "defederalization." But the small airports to remain in that bill, an amendment was added on the floor that would require that the GAO come up with a standard accounting system for all airports remaining in ADAP that may or may not be good for their particular situation. Thus, we are creating more bureaucracy and Federal involvement by an accounting system that may not—this is the real kicker. Then, using that form, those small airports would be required to prove that they could not do their projects any other way except through ADAP. That is not defederalization; that is an extension of Federal involvement.

Mr. **Hefner**. Still, I do not know who is to gain from this. I mean, you say that there are people who would not gain from it. Is there anybody——

Mr. Fletcher. Yes, yes. The airlines are the only winners in Mr. Cannon's bill. If he can reduce the bottom line of the cost of the ticket by 6 percent, then obviously, at least in the near term, the airlines are the winners.

Mr. Hefner. You mean, you do not think that the airlines will be willing to take this savings and pass it back on to the consumer and the airport and share it with you fellows? You do not think that they would want to do this?

Mr. Fletcher. Only if they perceive an urgent, urgent need. Traditionally, they have procrastinated, if you will. I do not mean to be antiairline. I mentioned earlier in my statement that we have a fine relationship with the airlines.

But you can be good friends, but when it comes to the fiscal end of things, it is going to be very difficult. As a minimum, they may perceive a need for an additional GADO or so for one of the carriers, but then the squabble of who is going to pay for it.

At a minimum, there will be delay in getting the job done. You have seen so many airline terminals across the country that are patchwork, cement block, if you will, that have not been done right. Atlanta is a classic example. They are doing something about it now, only because the carriers perceived a need.

Mr. Hefner. But when the need exists actually for a facility for the airport, you and the city fathers would be the ones that would be on the firing line, not the airlines; is that correct? You would be the ones who would be on the firing line for providing the facility to handle the traffic and the growing airport.

Mr. Graham. That is correct. And that is why our thought is if you are going to have a Federal program, it should be eligible and available to all as a development program. If you are not, then return the right to the local community to install, instill and see to its own economic welfare. Without the ability to generate funds or raise capital funds, obviously, it cannot protect itself. So the airport, there again, or the city, is caught in the middle.

ADAP has been the conduit, and I think that it has kept everybody on a course of action, looking at a national aviation and air transportation system. I think that should be protected and perpetuated through ADAP.

Mr. Hefner. Why were just the top 40 airports selected? I looked at the list, and some past 40, there was just a few dollars difference in several different places.

Mr. Graham. Well, the number used was the top 72.

Mr. Hefner. I know, over a period of time, but for the time being, the first cut.

Mr. Graham. The first cut was 1981, 40, I believe, would drop out, and then the remaining 32 would come out at the end of fiscal 1982, the second year, the reason being that those were used as far as the classification of how many passengers that they handled as a percentage of the total annual passengers, so we came up with a number that everybody felt was reasonable. That is how you got down to 72 airports; the old medium hub classification, which we are doing away with through this bill today.

Mr. Hefner. Thank you, Mr. Chairman.

Mr. Anderson. Thank you, Mr. Hefner.

Mr. Harsha?

Mr. **Harsha**. No questions.

Mr. **Anderson**. Ms. Ferraro?

Ms. **Ferraro**. No questions.

Mr. **Anderson**. Well, thank you very much, Mr. Graham, Mr. Fletcher, and Mr. Bartholomew, for a very excellent presentation.

Our next witness is Robert Farrell, councilman, city of Los Angeles. I am very happy to welcome Bob here today. Bob and I both come from the same areas. Parts of his district are close to mine, but I do not think our districts overlap. We do have a lot of the same people in and out of our areas. We are very happy to have Bob with us today. I understand you are speaking for the National Association of Regional Councils.

Mr. Farrell, the full text of your prepared statement will appear in the record at this point.

[Statement referred to follows:]

STATEMENT OF ROBERT FARRELL, COUNCILMAN, CITY OF LOS ANGELES, CALIF.; CHAIRMAN, COMMITTEE ON TRANSPORTATION AND UTILITIES, SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS ON BEHALF OF THE NATIONAL ASSOCIATION OF REGIONAL COUNCILS

I appreciate the opportunity to testify before the Subcommittee on Aviation today on legislation to reauthorize the Airport and Airway Development Act.

I am Robert Farrell, Councilman of the City of Los Angeles and Chairman of the Committee on Transportation and Utilities of the Southern California Association of Governments. Today I am here to testify on behalf of the National Association of Regional Councils about which I would like to express the following few words.

The National Assoication of Regional Councils (NARC) was initiated in 1967 to assist local government elected officials in organizing a rapidly growing number of regional councils.

Regional councils for the most part are areawide organizations of general purpose local governments which encompass a total regional community. They exist in both metropolitan and rural areas. Prime purposes of regional councils are to increase cooperative decision-making and coordination among local and state governments; to review and comment on certain federal grant applications; and to develop policies and programs to meet mutual problems and guide orderly development.

Over 600 such regional councils have been established to deal with areawide problems. Approximately 160 large metropolitan regional councils which have SMSAs of 50,000 or more in population are designated by the Governor as Metropolitan Planning Organizations as prescribed by the Department of Transportation. As MPOs, they are the public agency responsible for planning of highways, mass transit and airport systems.

First I want to commend Chairman Anderson on his thoughtful and comprehensive legislation, HR 6721, the Airport and Airway Improvement Act of 1980, which would reauthorize the ADAP program through 1985. We support the Chairman's sound judgment in continuing the ADAP program in its present form with some modifications.

NARC is opposed to any legislation which would "defederalize" large and medium size hub airports from the program at this time. Elimination of these airports from the ADAP program could endanger the financial security of airport development funds for those airports unable to adequately raise their own revenues. We would, however, support a reduction in the current 8 percent ticket tax if this savings would be passed on to the consumer and would not jeopardize the future of the ADAP program.

The bill provides a substantial increase in funding for FY 1981 compared to 1980 which should seek to reduce $3.5 billion surplus in the trust funds. These additional funds will be necessary to seriously tackle the problems of increased traffic and safety. To this end, we support the provisions in HR 6721 to provide funds to privately owned reliever airports opened to the public and to allow the Secretary certain discretionary power to target federal dollars where they are most needed.

Most of all, Mr. Chairman, we strongly support a provision in the bill which would keep airport systems planning for regional councils a separate discretionary program funded at no less than $45 million from fiscal years 1981 to 1985. Under the Administration's proposal, this program would have been eliminated and combined with development funds. We strongly object to this approach since we believe that planning as an eligible item would be low priority for funding by the Federal Aviation Administration. FAA's past track record in funding for airport systems planning has been a poor one.

The present Act authorizes $15 million per year for airport systems and master planning. Since the program was incepted in 1970, a total of $71 million was provided for this purpose. However, an amount only slightly more than $5 million was provided to regional councils, mainly to metropolitan areas. The bulk of the funding was committed in grants to airport operators for master planning and to the states.

In a study undertaken by the National Association of Regional Councils, we have found that only six metropolitan areas have received airport systems planning grants on a continuous basis. These areas are Los Angeles, Kansas City, Missouri, Denver, Washington, D.C., Butte (Montana), and the San Francisco/Berkeley region. Furthermore, Mr. Chairman, the reason why more funding has not been provided to metropolitan regions is not because these areas are not interested in developing or maintaining airport systems plans. It is because many of the major metropolitan areas have over the past 10 years made either formal or informal inquiries to the FAA regional offices and have been discouraged by these FAA officials from applying due to "lack of sufficient funding." However, FAA with its discretionary powers has had more than adequate funding to provide grants to airport operators for master planning and to the states.

In response to NARC's survey, we have received numerous letters from regional councils representing major metropolitan areas such as Atlanta, Sacramento, Milwaukee, Chicago, and New York—each stating that FAA officials either have discouraged or rejected their attempts in trying to obtain continuous funding for airport systems planning.

As I mentioned previously, all of these metropolitan regional councils have been designated as required under law by the Department of Transportation as Metropolitan Planning Organizations or MPOs to carry out continuous mass transit and highway planning for the metropolitan region on an annual basis. We believe that airport systems planning is an integral part of the total transportation development for the region. Such a continuing process assures that air transportation development is related to changing regional factors affecting transportation needs. These factors include economic and social conditions, as well as safety, environmental, land use, and energy use considerations.

Furthermore, regional councils engaged in airport systems planning generally involve local airport operators in the planning process through technical advisory or policy committees to assure close coordination with those responsible for airport operations.

Your bill, Mr. Chairman, correctly focuses upon providing adequate funding and mechanisms for future development of vital reliever airports. In order to successfully build reliever airports, cooperation and consent of the surrounding communities are essential for success. This cooperation can be met through the decision-making planning process at the MPO level. Airport developments affect the economy and energy use patterns in a regional. These impacts transcend the jurisdictional boundaries of the local government in which the airport is located.

An adequate amount of funding for continuous airport systems planning is necessary in order to respond to current and forecast conditions. If we do not have this joint decision-making process, I am afraid that decisions on building reliever airports or on improvements to existing airport facilities will be either in the hands of the airport operator or directed by the federal or state government.

Additionally, we are pleased that the 10 percent cap for planning funds to any one state incorporated in the present law has been removed in HR 6721 since this "cap" has been a problem for the State of California in attempting to receive necessary funds.

I would like to comment on another important provision in the bill. The Airport Improvement Program, as an element in the Administration's proposal and adopted in HR 6721, would make available additional funds for 42 of the nation's busiest air traffic hubs in large metropolitan areas. To quality for funding, airport sponsors jointly would develop a consolidated improvement plan (CIP) and annual expenditure program. In addition, such sponsors would certify that there is an existing airport systems plan and that the CIP is consistent with such plan and was prepared in cooperation with the public agency responsible for systems planning which is the MPO.

We would recommend that this language be modified by providing that the CIP be developed in conjunction with the MPO since MPOs, for the most part, are comprised of at least a majority of local elected officials representing local governments within the urbanized area. These communities should be involved in the CIP process since whatever project decisions are made will ultimately affect their cities and counties.

If this proposed language is not adopted, we would suggest that, at the very least, the Committee consider the following clarifying point. In the event that any questions are raised by local governments in the urbanized areas about the consistency between the CIP and airport systems plan, the Secretary will insure that these questions and concerns are adequately addressed and resolved before certification of the CIP.

That concludes my statement. I would be glad to answer any questions members of the Subcommittee may have.

Mr. **Anderson**. Please proceed.

TESTIMONY OF ROBERT FARRELL, COUNCILMAN, CITY OF LOS ANGELES, CALIF., ON BEHALF OF THE NATIONAL ASSOCIATION OF REGIONAL COUNCILS, ACCOMPANIED BY CHRIS STEINMAN, NARC FEDERAL LIAISON

Mr. **Farrell**. Thank you very much.

Mr. **Anderson** members of the committee, my name is Robert Farrell. I am a member of the city council of Los Angeles and the chairman of the Transportation and Utilities Committee of the Southern California Association of Governments, and I am presenting testimony today on behalf of the National Association of Regional Councils.

Chris Steinman, our Federal liaison from NARC, is here with me at the table.

The National Association of Regional Councils was initiated in 1967 to assist local government elected officials in organizing a rapidly growing number of regional councils.

The regional councils for the most part are areawide organizations of general purpose local governments which encompass a total regional community. They exist in both metropolitan and rural areas. Prime purposes of regional councils are to increase cooperative decisionmaking and coordination among local and State governments; to review and comment on certain Federal grant applications; and to develop policies and programs to meet mutual problems and guide orderly development.

I am here today to speak in behalf of the reauthorization of the ADAP.

Over 600 such regional councils have been established to deal with areawide problems. Approximately 160 large metropolitan regional councils which have SMSA's of 50,000 or more in population are designated by the Governors as metropolitan planning organizations as prescribed by the Department of Transportation. As MPO's, they are the public agency responsible for planning of highways, mass transit, and airport systems.

First, I want to commend you, Chairman Anderson, for your thoughtful and comprehensive legislation, H.R. 6721, the Airport and Airway Improvement Act of 1980, which would reauthorize the ADAP program through 1985.

We support your sound judgment in continuing the ADAP program in its present form with some modification.

NARC is opposed to any legislation which would defederalize large- and medium-size hub airports from the program at this time. Elimination of these airports from the ADAP program could endanger the financial security of airport development funds for those airports unable to adequately raise their own revenues.

We would, however, support a reduction in the current 8-percent ticket tax if this savings would be passed on to the consumer and would not jeopardize the future of the ADAP program.

The bill provides a substantial increase in funding at a time when additional funds will be necessary to seriously tackle the problems of increased traffic and safety. To this end, we support the provisions in H.R. 6721 to provide funds to privately owned reliever airports opened to the public and to allow the Secretary certain discretionary power to target Federal dollars where they are most needed.

Most of all, Mr. Chairman, we strongly support a provision in the bill which would keep airport systems planning for regional councils a separate discretionary program funded at no less than $45 million from fiscal years 1981 to 1985.

Under the administration's proposal, this program would have been eliminated and combined with development funds. We strongly object to this approach, since we believe that planning as an eligible item would be a low priority for funding by the Federal Aviation Administration.

FAA's past track record in funding for airport systems planning has been a poor one.

The present act authorizes $15 million per year for airport systems and master planning. Since the program was begun in 1970, a total of $71 million was provided to this purpose. However, an amount only slightly more than $5 million was provided to regional councils, mainly to metropolitan areas. The bulk of the funding was committed in grants to airport operators for master planning and to the States.

In a study undertaken by the National Association of Regional Councils, with a request for responses to written questions, we have found that only six metropolitan areas have received airport systems planning grants on a continuing basis. These are Los Angeles, Kansas City, Denver, Washington, D.C., Butte, and the San Francisco/Berkeley region.

Furthermore, Mr. Chairman, the reason so few Federal dollars have been committed to metropolitan areas is not because the regions are disinterested in developing or maintaining airport system plans; rather, it is because many of the major metropolitan areas have, over the past 10 years, made either formal or informal inquiries to the FAA regional offices and have been discouraged by these FAA officials from applying due to lack of sufficient funding.

However, FAA, with its discretionary powers, has had more than adequate funding to provide grants to airport operators for master planning and to the States.

In response to NARC's survey, we have received numerous letters from regional councils representing major metropolitan areas such as Atlanta, Sacramento, Milwaukee, Chicago, and New York—each stating that FAA officials either have discouraged or rejected their attempts in trying to obtain continuous funding for airport systems planning.

As I mentioned before, all of these metropolitan regional councils have been designated as required under law by the Department of Transportation as metropolitan planning organizations to carry out continuous mass transit and highway planning for the metropolitan region on an annual basis. We believe that airport systems planning is an integral part of the total transportation development for a region.

Such a continuing process assures that air transportation development is related to changing regional factors affecting transportation needs. These factors include economic and social conditions, as well as safety, environmental, land use, and energy use considerations.

Furthermore, regional councils engaged in airport systems planning generally involve local airport operators in the planning process through technical advisory or policy committees to assure close coordination with those responsible for airport operations.

Your bill, Mr. Chairman, correctly focuses upon providing adequate funding and mechanisms for future development of vital reliever airports. In order to successfully build reliever airports, cooperation and consent of the surrounding communities are essential for success. This cooperation can be best met, we believe through the decisionmaking, planning process at the MPO level. Airport developments affect the economy and energy use patterns in a region, impacts which transcend the jurisdictional boundaries of the local government in which the airport is located.

With the complex environmental concerns that we face today, an airport can no longer be built based on the approval of the airport operator and State officials. All jurisdictions surrounding the potential site must be involved in the decisionmaking process.

Additionally, we are pleased that the 10-percent cap for planning funds to any one State incorporated in the present law has been removed in H.R. 6721, since this cap has been a problem, for example, for the State of California in attempting to get necessary funds.

I would like to comment on another important provision in the bill. The airport improvement program, as an element in the administration's proposal and adopted in H.R. 6721, would make available additional funds for 42 of the Nation's busiest air traffic hubs in large metropolitan areas. To qualify for funding, airport sponsors jointly would develop a consolidated improvement plan and annual expenditure program. In addition, such sponsors would certify that there is an existing airport systems plan and that the CIP is consistent with such plan and was prepared in cooperation with the public agency responsible for systems planning, which is the MPO.

We would recommend that this language be modified by providing that the CIP be developed in conjunction with the MPO, since MPO's for the most part are comprised of at least a majority of local elected officials representing local governments in the urbanized area. These communities and their elected leadership should be involved in the CIP process, since whatever project decisions are made will ultimately affect their cities and counties.

If this proposed language is not adopted, we would suggest that at the very least, the committee consider the following clarifying point. In the event that any questions are raised by local governments in the urbanized area about the consistency between the CIP and the airport systems plan, the Secretary will insure that these questions and concerns are adequately addressed and resolved before certification of the CIP.

As you have announced, the record is open for another 2 weeks. We will submit written comments reflecting the formal position of the city of Los Angeles.

Mr. Anderson, this concludes my statement. Thank you very much for your consideration in having us here today.

Mr. ANDERSON. Thank you, Mr. Farrell, for a fine statement. Under the existing ADAP program, have there been any grants to the States for systems planning, and if so, do you have an estimate of the total of these grants?

Mr. FARRELL. Chris Steinman, the NARC Federal liaison person, will address that.

Ms. STEINMAN. Mr. Chairman, from the information I received from the FAA, I have about $11 million from 1971 to 1978 which was actually provided to States for systems planning.

Mr. ANDERSON. Now, I gather from your testimony that you believe that the MPO's are in a better position to undertake airport system planning than are State or local governments. Could you elaborate on the basis for your position that MPO's can do the best job?

Mr. FARRELL. Mr. Anderson, as I stated in my testimony, we have the responsibility under law to deal with the systems planning for highways and for transportation. We think in terms of surface transportation and transit as we address that new reality.

Air transportation is an integral part of that, and I think that what we just want to assert in this position paper is that we feel that this is something that we would like to have clarified. We would like to have it spelled out that, as we have the responsibility to put all those other planning activities together, and especially, speaking as an elected official, since that forum exists for that kind of regionwide decisionmaking and priority setting, most certainly we should do redeveloping plans as it relates to airports and airport planning.

Mr. ANDERSON. In other words, your feeling is that if you are going to make decisions on surface transportation, you ought to be able to tie that in with the airports' needs and vice versa?

Mr. FARRELL. Yes. Part of that problem, too, as you know, is not only tying them together, but the improvements that are necessary to facilitate airports also have tremendous impacts in the way that we make priority decisions on ground access and some of the decisions that affect highways as they relate to ground access to the airports themselves. And we feel that we are the most efficient integrating device to get that kind of planning and integration done at the regional level.

Mr. ANDERSON. You may have partly answered this, but can you explain what priorities a regional council uses when developing an airport systems plan?

Mr. FARRELL. I am sorry. I cannot give you that. I am not expert on it, Mr. Anderson. We will get that information back to you.

Mr. ANDERSON. Well, maybe my next question would help bring that out. In developing a systems plan, how does a regional council balance concerns of noise compatibility, safety, passenger convenience, and economic development?

Mr. **Farrell**. Well, Mr. Anderson, those are the normal considerations that are taken by the staff when they put forth the integration of activities in highway planning and transit, through the review mechanisms that regional government has in dealing with the grants and other activities coming from the Federal Government, and then spelling out some of the priorities for our State program.

We feel that we already do that, and by adding airports, it is just an incremental element in the mix of transportation modes that are being brought under the umbrella. It already exists in the process for that.

Mr. **Anderson**. I suppose if I were to be asked that question, I would put safety first. Then I think my next question would be do you consider passenger convenience, do you consider noise compatibility, do you consider economic development in an area, is there any priority that you put on those, or is it on a one-by-one basis?

Mr. **Farrell**. Mr. Anderson, I cannot answer that. Will you pose the question, and we will get that information back to you.

[The following was received for the record:]

Robert Farrell Submission

The following is a summary of the evaluation criteria used by SCAG's Aviation Work Program Committee to rank candidate airport sites. It should be clearly understood, however, that the described ranking system was not used to select a site. Rather, the system was used as a screening device to determine which of the several sites proposed warranted intensive study. Using the ranking system the Committee selected six of the fourteen candidate sites as having sufficient potential to justify in-depth study of cost, airspace, environmental, and other factors.

As the Committee proceeded with the study, three factors emerged as being the most critical; noise, airspace, and market allocation. In making its final selection the Committee seemed to place greater weight on these three factors than any of the others.

CRITERIA

The three major criteria categories recommended by the Criteria Subcommittee and the seven sub-criteria recommended by the Values Subcommittee are described below.

I. Market allocation

a. Market allocation is expressed in terms of population within a 35 mile radius of each airport site alternative and also how well each alternative serves the maximum capacity shortfall areas in Los Angeles and Orange Counties.

b. *Accessibility:* Accessibility weights should reflect the adequacy of the present highway facilities which serve the alternative site.

II. Cost

a. *Cost.*—Cost information reflects an airport terminal, two runways and associated taxiways and ramp space. Auto parking is also included in the Cost estimate. *Additional* costs for (1) land, (2) site preparation and (3) ground access facilities are given where estimates are known. The cost for most new civil sites is estimated at $1.6 to $1.8 billion. Military bases are less than $500 million, and off-shore alternatives range from $3 to $6 billion.

b. *Airspace capacity.*—Airspace capacity is described in terms of the degree of airspace congestion surrounding an alternative site, and also in terms of conflicts with instrument approaches or departures from existing airports.

c. *Obstructions.*—Obstructions refer to high terrain which would pose a hazard to safe air navigation.

d. *Noise.*—Noise problems are described in terms of the proximity of urbanized areas to the 65 CNEL, and in terms of community opposition based on noise.

e. *Land availability.*—As recommended by the Criteria Subcommittee, "land availability should be presented in the context of unusual ownership, or its present stage of development, rather than in the context of "willingness to sell."

f. *Environmental.*—Environmental factors are described for those sites which are within the coastal planning zone, are in or near parks or recreational areas, or are near game refuges. Noise and air quality are not included in this sub-criteria, but are described separately.

g. *Opposition.*—Known opposition by governmental jurisdictions, local communities or the military are described. If opposition is based on noise, the opposition is placed under the noise criteria, and should not be evaluated under this criteria. If the basis of the opposition is not known, such opposition is included under this sub-criteria.

III. Air quality

a. *Air quality.*—Air quality for an alternative site is described in terms of prevailing wind patterns, and whether pollutants would be carried to urbanized areas.

Mr. ANDERSON. In your testimony, you say you would support a reduction in the 8-percent airline ticket tax if the future of the ADAP program would not be jeopardized. In your opinion, how much could the $3.5 billion surplus in the trust fund be reduced before the ADAP program would be jeopardized?

You may answer that, or supply it for the record later on.

Mr. FARRELL. Could we do that?

Mr. ANDERSON. Yes.

[The following was received for the record:]

NARC believes the specific reduction in the trust fund can only be determined after the federal government assesses what resources are necessary to meet national airport objectives. NARC does not have that specific data. The federal government provides needs assessment data for other federal programs such as highways, mass transit and the water pollution facility grants.

Mr. ANDERSON. You state that the FAA has discouraged attempts to obtain funds for airport systems planning. Do you think this is due to a belief on the FAA's part that systems planning is not really necessary, or is systems planning just a low priority item compared to other types of airport development?

Mr. FARRELL. Mr. Anderson, I do not know. When we got our responses, there tended to be a consistent pattern across the United States in those responses that there was indirect or direct discouragement bv FAA officials when they were contacted about the availability of funds for the airport planning.

Ms. STEINMAN. I would like to add something also. We feel that FAA, during the past 10 years, has had more emphasis on master planning, and of the $71 million that has been provided for both systems planning and master planning, the bulk of that money has been going to the operators for master planning.

So in our responses from our metropolitan areas, and in talking with FAA officials, we have come to the conclusion that systems planning has been a low priority for funding by FAA.

Mr. ANDERSON. So that in an area like Los Angeles, they would give more money for master planning for a specific airport, and really not be too concerned about the entire system of the region. Is that it? In Los Angeles, we have a number of airports, and the individual planning for each airport, does not necessarily fit with the other airports in the area.

Ms. STEINMAN. But as we mentioned in the testimony, the Los Angeles region is one of the six metropolitan regions to receive continuous funding, so it has been lucky in that regard.

Mr. ANDERSON. Mr. Gingrich?

Mr. GINGRICH. Thank you, Mr Chairman.

I want to ask two sets of questions. One is, if a regional council cannot get money from the FAA, and that money is available, let us say, at the State level, what happens in those States where that case exists? Does the State, then, do planning that would normally be done by the regional council?

Mr. FARRELL. Yes.

Mr. GINGRICH. Why do you object to that? What is the difference in quality of planning between the State and the regional council?

Mr. FARRELL. Well, I can just respond as a local elected official. Many times the people who make the decisions in the planning process are removed from the localities in which the impacts are felt.

We feel that through the mechanism that is set up in regional government, where we deal with grant review, where we deal with air quality, water quality, the highways and with transit, we have established a pattern of decisionmaking that achieves a consensus in terms of the obligation to the Federal Government in terms of signoff, and also in terms of our local priorities, the local political priorities. In this instance, your community accepts noise; my community accepts some of the people who drive in cars from their home counties, and at least we strike some balance at the local level where things are acceptable, all factors considered, to everybody in the process.

That is another consideration many times, when planning is done at the State.

Mr. GINGRICH. So you would argue that there should be a strong bias in favor of regional planning over State level planning, in terms of the development of airport plans?

Mr. FARRELL. Most certainly.

Mr. GINGRICH. Ms. Steinman is shaking her head, "No."

Mr. FARRELL. I would, as an elected official in the city of Los Angeles.

Ms. STEINMAN. I agree with Mr. Farrell, of course. We feel that there is a role for the States, but however, it should not just be the States making those decisions that are ultimately going to affect and impact those local communities.

We feel, as Mr. Farrell mentioned in his statement, there are so many complex environmental questions today that in order to build a reliever airport in a metropolitan region, it is absolutely necessary and vital to get the political support of those local jurisdictions within that area for their approval, before that site is actually underway and being developed.

Mr. GINGRICH. Let me pursue this for a second, Mr. Farrell, if I may. If I understand you, are you suggesting that an airport plan should be an integral outgrowth of a master plan—that is, you should have some general sense of the whole regional development, and then within that context, a sense of how the airport plan should be developed?

Mr. FARRELL. Yes.

Mr. GINGRICH. So that FAA, in your judgement, should have a conscious awareness, and commitment to the idea of an overall master plan far beyond the airport?

Mr. FARRELL. Yes.

Mr. GINGRICH. And that should be a prerequisite for all airport planning?

Mr. FARRELL. Yes.

Mr. Gingrich. OK. I realize I am asking longer questions than you are giving answers right now, but we will give you a chance in a second.

As a secondary part of that, then, are you also saying that wherever possible, the lead agency in the development of that planning approach should be the regional commission?

Mr. Farrell. Yes.

Mr. Gingrich. Let me ask one other set of questions. I am really picking up on something that the chairman asked you, and you may want to respond later in writing.

You used the phrase, that "this community accepts noise, or that community accepts something else." Unless Los Angeles is different from Atlanta, I do not know of any community that accepts noise. There are levels of complaint, I guess.

I think the chairman was really getting at a very, very important subject that I do not think any of us on this committee have yet solved. How do you determine the ranking after safety? You said that later you would try to provide us with a ranking. Well, is there in fact any plan on the national level for how to value, say, noise versus other kinds of pollution, versus convenience to the business community, convenience to the traveler, et cetera? Is there any kind of master plan of how to weight those?

Mr. Farrell. I think it is different in every metropolitan planning area, Mr. Gingrich, and I think that is part of the trade off that comes among the elected officials. For example, just a little bit earlier, the gentlemen from Tennessee were talking about the example of Orange County in southern California. Some of the local elected officials in Los Angeles would hope that Orange County would address its own air transportation needs, and within that county, make the kinds of local decisions that would allow for an airport to function there. But part of the regional reality is that, as we look at LAX and Ontario Airports, we are attempting to do some mitigating things to accept that air volume in those airports in that Los Angeles system, one that we hope will be a regional system one day. Rather than slug it out, what we attempt to do at the regional level is accept some compromise and perhaps offset some of the negative impacts of the people going to the airports in Los Angeles and Ontario by some other kinds of mitigating factors that we can address in transit, in Orange County.

At least we have a forum for tradeoff. And many times, it is not a matter of national criteria. It is what the regional people can negotiate among themselves.

Mr. Gingrich. Let me pursue that, if I may, Mr. Chairman, for just a minute. I do not know much about your region, in terms of how it is structured, but how large an area is in your regional commission?

Mr. Farrell. Five counties in southern California.

Mr. Gingrich. And what is their approximate population?

Mr. Farrell. About 11 million people.

Mr. Gingrich. In other words, your population is 2½ times that of Georgia's.

I guess the subject I want to raise, just to get it on the record, is that I am very committed to the regional commission approach. I think the Atlanta Regional Commission, in cooperation with our

Georgia Department of Transportation, MARTA, and the airport, has done a marvelous job of coordinating the effort on transportation in Atlanta.

But when you talk about trade offs and local concerns—and I just want to raise this as someone who has a real concern with the noise issue—if you are representing 11 million people, of that 11 million, the number who are directly impacted at a maximum level by noise is probably fairly small.

And it seems to me that you are still talking about planning at a pretty macrolevel, in terms of the kind of trade offs having a very, very high bias in favor of the traveler and the airplane, as opposed to the immediate neighborhoods around the airport.

How would you respond to that? Is that a fair observation?

Mr. **Farrell**. I think you would have to look at it MPO by MPO. When I said "tradeoffs," I did not mean to suggest that a consideration such as noise is not one that has——

Mr. **Gingrich**. What do those initials stand for?

Mr. **Farrell**. Metropolitan planning organizations.

Mr. **Gingrich**. All right. Go ahead.

Mr. **Farrell**. What I am saying is that at a certain point, the people who participate in regional government know of the problems that noise impact represent They know that unless they can address these concerns, people are going to stop the process, they will go to court, they will cause the process to be more time consuming than it is.

So it is a consideration on the table, and I think the local elected officials who participate actively in regional government come to understand that in terms of problems that their neighbors face, and it is a matter of significant concern. I would not want to play it down. But neither could I say that it is No. 1 on the scale, or No. 2 out of 50, or No. 48 or 49.

Mr **Gingrich**. Let me thank you.

Mr. **Anderson**. May I just break in?

Mr. **Gingrich**. Yes, sir.

Mr. **Anderson**. I want you to know that I think Mr. Gingrich is on your side. I know I held hearings down in Atlanta, and we went out to College Park, the city over which you fly when you come into Atlanta. They took us out there and put us inside some of the houses, and as the planes were landing, they demonstrated to us how bad it is. I told them if you just closed your eyes, you would think you were in a house in Lenox or in Inglewood. The roofs were shaking and so on. So the people who live in College Park under the approach are identical in their feeling toward the airport and toward noise, to those in Lenox, or in Inglewood, and other places. And I know he is trying to solve a problem. I do not know whether that is in your district or not. I know that Lenox is not in mine but it is close enough so I am aware of the need.

That is why I broke in.

Mr. **Gingrich**. I just want to conclude by saying that I believe very deeply in planning and in regional planning commissions that are directly responsive to elected officials, as opposed to, say, a more technocratic-type planning that is more insulated from the day-to-day problems of public life.

But I am concerned—not that we are going to find a solution—that we open up a very real dialog about how we weigh different factors in the design of transportation systems, how we weight the public health factor versus the convenience factor versus other factors. Theoretically, one Japanese model has put the airport 60 miles out to sea on an artificial island. There are a thousand ways to skin the cat. And I think that precisely the regional approach, where you have 60 or 70 laboratories of self-government, is the approach to find the solution that 30 years from now, our grandchildren will use.

But I was going to conclude by saying that I appreciate your statement, and I am very, very supportive of the point you are making—that the local government level and the regional level is the place to do the bulk of this kind of planning, and I very much appreciate your coming in from California and sharing it with us.

Thank you.

Mr. **Farrell**. Thank you very much.

Mr. **Anderson**. Ms. Ferraro?

Ms. **Ferraro**. Thank you, Mr. Chairman.

Mr. Farrell, I wanted to pick up a little bit on something that the chairman brought up, and that is ground access.

In 1978, the FAA conducted a study on ground access, and they indicated that the Los Angeles airport was really having significant problems. Has anything been done with reference to the access problem in Los Angeles?

Mr. **Farrell**. Yes.

Ms. **Ferraro**. What has been done?

Mr. **Farrell**. We have some plans now to double-deck—if you are familiar with the horseshoe configuration of LAX—to double-deck the airport area so that you can have an increased capacity to travel in.

We are also addressing a number of other ways, through the use of high-occupancy vehicles——

Ms. **Ferraro**. Who is supplying the funds for that?

Mr. **Farrell**. The State.

Mr. **Ferraro**. Would you see ADAP providing some sort of funding for access roads? Do you see that as part of a plan that might be possible?

Mr. **Farrell**. We would have to get back to you on that. As I come to the table, I had not thought about that. I think we have always looked at ADAP money as being planning money.

Mr. **Anderson**. Would the gentlelady yield?

Mr. **Farrell**. And airport development, as opposed to the facilities off of the airport itself, the roads and the freeways, and all the rest, with the ADAP money being used on the airport facilities grounds itself.

Ms. **Ferraro**. You do not see them as being also part of—you do not see the access roads to the airport as being part of the airport facility; is that what you are saying?

Mr. **Farrell**. There are some differences of opinion on that, as I understand.

Mr. **Anderson**. Could I break in just a minute? Bob, just to kind of press you on that, there is the Ontario Airport, Los Angeles wants to expand the facilities there. In order to do that, they have to either bridge some of the fairly major roads, or close them off. The State of California says: "We are not going to allow that unless, the Federal Government, or the airport fund, or somebody provides money." You are involved, I guess, in a suit right now, or a fight with the State on that one issue. So there is problem of access to an airport. If you expand an airport to take care of the runway needs or airside needs and you interfere with the ground access, who is to pay? And we have a case in Los Angeles riqht now where we cannot expand Ontario, as I assume you people would like to. I think we are trying to clarify that a little bit in this bill, but maybe not as far as we need to go.

Mr. **Farrell**. Mr. Anderson, in response to Ms. Ferraro on that, in the Ontario experience, the MPO, SCAG, is taking the lead role as the consultant to the Los Angeles Airport, in structuring the way we are going to look at the interface between ground access and the airport improvement. The study is being done now under the supervision of a subcommittee that includes the airport officials, the city of Ontario, a committee which includes other local elected officials, and the State of California, to work out that specific relationship.

Ms. **Ferraro**. You also mentioned the strong support for your associations using ADAP funds for safety purposes. In New York at J. F. K., we have a very unique facility. It is a mobile hospital that has been funded by voluntary contributions, and what it does is, in case of an emergencv where there are survivors, that hospital is there and ready to take care of burn victims—they have a burn unit, they have an intensive care unit, they have an operating unit, and they fly in—they have an arrangement with the Coast Guard and the civil patrol to fly in teams of doctors to care for these people immediately, not to fight getting off to the airports, with traffic and everything else.

Could you possibly comment—and I am giving you just a very brief picture of this facility—on the advantages that such a facility might be to an airport like yours in Los Angeles?

Mr. **Farrell**. No; not at this time.

Ms. **Ferraro**. OK, thank you.

I have no further questions.

Mr. **Anderson**. Mr. Hammerschmidt?

Mr. **Hammerschmidt**. Thank you, Mr. Chairman.

Mr. Farrell, in your testimony, you oppose defederalization of large and medium hubs. Why do you say that the large hubs are unable to adequately raise their own revenues?

Mr. **Farrell**. Mr. Hammerschmidt, the presentation there is one of the NARC position. I would like to ask my colleague, Ms. Steinman, to address that.

Mr. **Hammerschmidt**. Thank you.

Ms. **Steinman**. Mr. Hammerschmidt, we have a transportation policy committee made up of elected officials involved in NARC, and last month we developed a policy on this issue. The committee felt that they could not support defederalization at this time, because of the uncertainity of future funding for airport development and improvements. Many of these areas, for example, southern California, the Kansas City area, are making plans right now for reliever airport sites, and to see that 72 airports may be eliminated from the program and not be contributing funds to the ADAP trust fund makes us very concerned about the availability of funding for these projects.

Mr. **Hammerschmidt**. What is your opinion of the recommendation of the National Association of State Aviation Officials that the individual States should administer the ADAP program for all airports except the largest 100?

I wonder if that is consistent with your belief that more local and regional planning is desired.

Ms. **Steinman**. We have no NARC formal policy on State involvement, Mr. Hammerschmidt.

Mr. **Hammerschmidt**. Thank you very much.

Thank you, Mr. Chairman.

Mr. **Anderson**. Mr. Levitas?

Mr. **Levitas**. Thank you, Mr. Chairman.

I just have two questions. One relates to the question of defederalization. It is my understanding that the National Association of Regional Councils opposes the Senate provision for defederalization; is that correct?

Ms. **Steinman**. Yes.

Mr. **Levitas**. Have you heard any rationale why an airline users' tax should be imposed upon the passengers who enplane at major hub airports, from whose payments a major portion of the trust fund is developed, and yet those airports should not receive a portion of that trust fund back; have you heard any rationale for that? I am asking you to state the other side of the case; I do not understand it. Why should I, flying out of O'Hare Airport, pay a tax which goes to most of the other airports, but does not come back to O'Hare?

Ms. **Steinman**. Are you saying, then, that because you fly into O'Hare and you pay that tax, that each airport should get an allocation of funding? Is that what you are saying?

Mr. **Levitas**. I think if it is going to apply to anybody, it ought to apply to everybody.

Ms. **Steinman**. Well, my own personal opinion, and I think the association's as well, is FAA in many regards may be in the best position to have the discretion to target which metropolitan areas are in the most need for those funds and to allocate them in that manner.

Mr. **Levitas**. What about the planning funds? Do you think $45 million is adequate?

Ms. **Steinman**. Yes—not any less, though.

Mr. **Levitas**. Thank you, Mr. Chairman.

Mr. **Anderson**. Mr. Hefner?

Mr. **Hefner**. No questions.

Mr. **Anderson**. Thank you very much, Mr. Farrell and Ms. Steinman, for a very fine presentation. The record will be kept open for any of these questions you wish to answer. Again, thank you very much.

Mr. **Anderson**. Our next witness will be Mr. Lawrence C. Cushing, the president of the National Association of Air Traffic Specialists, accompanied by Mr Huie, the congressional liaison.

Mr. Cushing, the full text of your prepared statement will appear in the record at this point.

[Statement referred to follows:]

ΣNAATS▷

NATIONAL ASSOCIATION OF AIR TRAFFIC SPECIALISTS

SUITE 415 WHEATON PLAZA NORTH
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STATEMENT

before the

SUBCOMMITTEE ON AVIATION

THE HONORABLE GLENN M. ANDERSON
CHAIRMAN

-

COMMITTEE

on

PUBLIC WORKS AND TRANSPORTATION

U.S. HOUSE OF REPRESENTATIVES

Ninety-sixth Congress

on

THE AIRPORT AND AIRWAY DEVELOPMENT ACT OF 1980

H.R. 6721

by

LAWRENCE C. CUSHING, PRESIDENT
NATIONAL ASSOCIATION OF
AIR TRAFFIC SPECIALISTS

March 18, 1980

Mr. Chairman and distinguished members of this Subcommittee, I am pleased that you have provided me with the opportunity to appear before you and to present the views of our organization on the Airport and Airway Development Act of 1980. My sincere thanks for that consideration. I am accompanied by Mr. Edward L. Huie, our Congressional Liaison.

In reviewing the history of the ADAP bill and the work that this Committee and its predecessors have done in husbanding the resources and in safeguarding the provisions of that legislation, I am compelled to compliment you on your outstanding stewardship.

Reduced to its lowest common denominator, the intent of the ADAP law was to provide funds, through taxation of some elements of aviation activity, and to dedicate those funds to uses consistent with the enhancement of aviation safety. Despite the many attempts of various special interest groups to divert the ADAP trust fund to other purposes, this Committee has been most successful in denying success to such ventures.

We believe that H.R. 6721 will be hailed as one of the greatest steps forward in the history of aviation. The resources dedicated to facilities and equipment alone should bring us to the closest point of approach ever achieved for accident-free skies. It is indeed fitting that you are considering this legislation at the dawn of a new decade. A decade which is filled with promise for airmen throughout this country.

On December 6, 1979 we appeared before this august body and outlined our views of the hazards now present in the Air Traffic Control System. In view of that statement we will not burden you with a further review of those issues but let us assure you that our position remains unchanged.

We will confine this statement to the modernization of the Flight Service System which falls clearly within the provisions of H.R. 6721.

Last week the FAA Administrator appeared before the Subcommittee on Transportation of the House Appropriations Committee to discuss his justifications for the Fiscal Year 1981 budget requests. For the first time in history the FAA Administrator expresses a fact which has been known to this Committee and to this union for years and years. It is gratifying to note that the FAA has reached this conclusion and we applaud them for the strong posture statement which follows:

> "As scheduled in the flight service station modernization plan more than two years ago, we plan to begin major procurement in FY 1981. This budget includes $85 million for initial automation equipment for 61 flight service stations.
>
> *The current system encompasses over 300 locations. It is labor-intensive, inefficient, and does not meet user demands. Modern aviation and technology has totally outstripped the FSS system as it exists today.* (Italics added) The air traffic terminal and enroute environments were modernized years ago... and we must now move forward on FSS's."

This Subcommittee should indeed be prideful for its contribution to aviation safety in this matter for it was your wisdom and your foresight in the 95th Congress which brought this "beginning" to fruition. Specifically it was your hearing on Congressman Hammerschmidt's H.R. 7699 that provided the genesis for this giant step forward. We hasten to add that H.R. 7699 was co-sponsored by all the Members of this Subcommittee and for a total of seventy-five Members of Congress.

One might ask why a union would support a modernization program in which FAA promises a status quo in authorized positions rather than doubling the number in the current "labor-intensive" system. The answer is simple - aviation safety - which is the prime objective of our membership, both individually and collectively. Our members cannot endure in a neglected system which has contributed to

1,320 GENERAL AVIATION FATALITIES IN 1976
1,436 GENERAL AVIATION FATALITIES IN 1977
1,690 GENERAL AVIATION FATALITIES IN 1978
1,379 GENERAL AVIATION FATALITIES IN 1979

Our members are not impressed by statistics which praise aviation safety records with "fatality rates" per million miles flown or per thousands of hours flown. Rates are subject to manipulation. They are impressed and saddened, however, when accidental deaths are counted.

We believe that the FAA Flight Service System modernization Budget Justification for Fiscal Year 1981 is germane to this discussion and is shown as follows:

"3. Flight Service Facilities

a. Flight Service Stations

(1) Provide Flight Service Station Automation - Various Locations............................$85,000,000

BASIS: The existing Flight Service Station (FSS) system is obsolete, extremely labor intensive, and is burdened with outdated equipment and facilities. Expansion of the existing system to meet the current and projected demands for flight services is not economically feasible.

PROBLEM; The existing FSS system is not meeting current demands for flight services and is not capable of meeting future demands in the 1990's. Total flight services are forecasted to increase by 56.5 percent and to reach 106.6 million by 1991.

SOLUTION: Provide third year funding in the amount of $85,000,000 for a new automated system to meet the forecasted quantitative increase in future demands and to provide the users with improved and faster services. The FY 1977 F & E appropriation contained $27,900,000 to begin the FSS modernization and automation program. Funding of $1,900,000 was provided in FY 1980 to provide technical support of the design verification contracts. Initially the automated system will provide FSS specialists with direct access to a national computer-based Flight Service Information System which will improve the timeliness and quality of briefings and flight plan handling. Subsequent requests will provide direct access to the Flight Service Information System by the users so that they will be able to satisfy most of their service needs without the assistance of a specialist. When fully implemented, the automated system will provide better quality services without increases in staffing. This request is in accordance with the Master Plan for FSS Automation dated January 1978, and earlier briefings and supplemental papers provided the Congress."

We applaud the FAA for this beginning - for a project, however meritorious, never begun can never be completed. We do have serious reservations and concerns which have not been addressed but we do hope that in the course of events the answers will be forthcoming.

We wish to share these concerns with you and hereinafter we will briefly enumerate them.

1. Geographical coverage is a major item. How much of the United States will be covered by these 61 modern stations? What are the locations of the 61 stations? Will only high density population areas receive this safety service? What coverage may be expected in remote areas? Will any of the existing flight service stations be retained?

When remote systems are mentioned we immediately recall the testimony of the Honorable Don Young (Alaska) before your Oversight and Review Subcommittee in March 1980 when he said, "I have personally seen the weather reporting for air travel purposes go from bad to worse during the last twenty years. Manned observations have been replaced with chronically deficient remote systems, leaving flying treacherous at best." Remote unmanned stations, if operational, usually provide wind direction, wind velocity, temperature, dewpoint, and barometric pressure. All of these are nice information for a pilot to have but the most important items for making a safe approach are precise and accurate ceiling and visibility data, essential elements of information not provided by an operational unmanned remote station.

2. Facilities. Again, before the House Subcommittee on Transportation Appropriations last week the FAA Administrator stated the following relative to flight service facilities:

> "Forty-three of the busiest locations would be retained and 18 other locations added. Since most of these facilities are now in old quarters - many facing sub-substantial cost increases for leases and rehabilitation ... and not suitable for an automated environment ... new buildings would be required at most locations. Funding for buildings would be initiated in Fiscal Year 1982."

Why, we wonder, is the request for new buildings being deferred until Fiscal Year 1982? Does not this cause an additional one year delay in the fruition of this project? Will we have modern equipment available destined to rest in a warehouse until a construction project can be completed?

3. What do we do from "now 'till then"? And how long is "now 'till then"? Is it 2 years? 4 years? 6 years? or more?

very important questions when we look at fatality numbers in general aviation every year. And yet, in its budget justification for flight service automation for FY 1981, FAA says, "Expansion of the existing system to meet the current and projected demands for flight services is not *economically feasible*" (Italics added). The FAA is not in the manufacturing business where production costs are an exact science and where profit is the motivation.

The FAA is in the business of providing *safety* for the flying public, an entirely different activity not subject primarily to economic feasibility.

In view of the FAA's position, we know of no effort on their part to do anything from "now 'till then".

On the other hand, the Congress of the United States has done something about from "now 'till then". In Fiscal Year 1979 the Congress added ten positions to flight service. In Fiscal Year 1980 the Congress added twenty-five positions to flight service. Men of wisdom can always do something.

4. Preserve the System. Our last point: preserve the existing Flight Service System until this country has a substitute just as good and hopefully much better. This Subcommittee has demonstrated in the past that it will do just that - and that's what we are counting on.

I again thank you for this opportunity to appear before you and to express our views on this important legislation.

Mr. ANDERSON. Please proceed.

TESTIMONY OF LAWRENCE C. CUSHING, PRESIDENT, NATIONAL ASSOCIATION OF AIR TRAFFIC SPECIALISTS, ACCOMPANIED BY EDWARD HUIE, CONGRESSIONAL LIAISON

Mr. CUSHING. Thank you, Mr. Chairman.

I will excerpt from the remarks.

Mr. Chairman and distinguished members of this subcommittee, I am pleased that you have provided me with the opportunity to appear before you to present the views of our organization on the Airport and Airways Development Act of 1980.

My sincere thanks for this consideration.

I am accompanied by Mr. Edward L. Huie, our congressional liaison.

In reviewing the history of the ADAP bill and the work that this committee and its predecessors have done in husbanding the resources and in safeguarding the provisions of that legislation, I am compelled to compliment you on your outstanding stewardship.

We believe that H.R. 6721 will be hailed as one of the greatest steps forward in the history of aviation. The resources dedicated to facilities and equipment alone should bring us to the closest point of approach ever achieved for accident-free skies.

It is indeed fitting that you are considering this legislation at the dawn of the new decade, a decade which is filled with promise for airmen throughout this country.

On December 6, 1979, we appeared before this august body and outlined our views on the hazards now present in the air traffic control system. In view of that statement, we will not burden you with a further review of those issues, but let us assure you that our position remains unchanged.

We will confine this statement to the modernization of the flight service system, which falls clearly within the provisions of H.R. 6721.

Last week, the FAA Administrator appeared before the Subcommittee on Transportation of the House Appropriations Committee to discuss his justifications for the fiscal year 1981 budget request.

For the first time in history, the FAA Administrator expresses a fact which has been known to this committee, to this union, for years. It is gratifying to note that the FAA has reached this conclusion, and we applaud them for the strong posture statement which follows.

> As scheduled in the flight service station modernization plan more than two years ago, we plan to begin major procurement in fiscal year 1981. This budget includes $85 million for initial automation equipment for 61 flight service stations.
>
> The current system encompasses over 300 locations. It is labor-intensive, inefficient, and does not meet user demands. Modern aviation and technology have totally outstripped the flight service system as it exists today. The air traffic terminal and en route environment were modernized years ago, and we must now move forward on flight service modernization.

This subcommittee should indeed be prideful for its contribution to aviation safety in this matter, for it was your wisdom and your foresight in the 95th Congress which brought this beginning to fruition. Specifically, it was your hearing on Congressman Hammerschmidt's H.R. 7699 that provided the genesis for this giant step forward, and we hasten to add that H.R. 7699 was cosponsored by all the members of this subcommittee for a total of 75 Members of the Congress.

Now, one might ask why a union would support a modernization program in which FAA promises a status quo in authorized positions rather than doubling the number in the current, labor-intensive system. The answer is simple: aviation safety, which is the prime objective of our membership, both individually and collectively.

We believe that the FAA flight service system modernization budget justification for fiscal year 1981 is germane to this discussion and is shown as follows: Flight service facilities, flight service stations, provide flight service station automation, various locations, $85 million.

The basis: Existing flight service system is obsolete, extremely labor intensive, and is burdened with outdated equipment and facilities. Expansion of the existing system to meet the current and projected demands for flight services is not economically feasible.

The problem: The existing flight service system is not meeting current demands for flight services and is not capable of meeting future demands in the 1990's.

Total flight services are forecasted to increase by 56.5 percent and to reach 106.6 million by 1991. The FAA's solution to this is to provide new equipment in the coming years to satisfy the need and the demand.

We applaud the FAA for this beginning, for a project, however meritorious, never begun, can never be completed. We do have serious reservations and concerns which have not been addressed, but we do hope that in the course of events, the answers will be forthcoming. We wish to share these concerns with you, and hereinafter, we will briefly enumerate them.

Item 1, geographical coverage is a major item. How much of the United States will be covered by the 61 modern stations. What are the locations of the 61 stations?

Will only high-density population areas receive this safety service? What coverage may be expected in remote areas? Will any of the existing flight service stations be retained?

When remote systems are mentioned, we immediately recall the testimony of the Honorable Don Young of Alaska, before your Oversight and Review Subcommittee in March 1980, when he said, "I have personally seen the weather reporting for air travel purposes go from bad to worse during the last 20 years. Manned observations have been replaced by chronically deficient remote systems, leaving flying treacherous at best." Remote, unmanned stations, if operational, usually provide wind direction, wind velocity, temperature, dewpoint, and barometric pressure. All of these are nice information for a pilot to have, but the most important items for making a safe approach are precise and accurate ceiling and visibility data, essential elements of information not provided by an operational, unmanned, remote station.

Item 2, facilities. Again, before the House Subcommittee on Transportation Appropriations last week, the FAA Administrator stated the following, relative to flight service facilities:

> Forty-three of the busiest locations would be retained and 18 other locations added. Since most of these facilities are now in old quarters—many facing substantial cost increases for lease and rehabilitation, and not suited for an automated

environment—new buildings would be required at most locations. Funding for buildings would be initiated in fiscal year 1982.

Why, we wonder, is the request for new buildings being deferred until fiscal year 1982. Does not this cause an additional 1-year delay in the fruition of this project? Will we have modern equipment available destined to rest in a warehouse until a construction project can be completed?

And Item 3, what do we do from now until then? How long is "now until then?" Is it 2 years? Four years? Six years? Or more? Very important questions when we look at fatality numbers in general aviation every year. And yet, in its budget justification for flight service automation for fiscal year 1981, FAA says, "Expansion of the existing system to meet the current and projected demands for flight services is not economically feasible."

The FAA is not in the manufacturing business where production costs are an exact science, and where profit is the motivation.

The FAA is in the business of providing safety for the flying public, an entirely different activity not subject primarily to economic feasibility.

In view of the FAA's position we know of no effort on their part to do anything from now until then.

On the other hand, the Congress of the United States has done something about the from now until then problem. In fiscal year 1979, the Congress added 10 positions to flight service. In fiscal year 1980, the Congress added 25 positions to flight service. Men of wisdom can always do something.

Item 4, preserve the system. Our last and maybe the most important point: preserve the existing flight service system until this country has a substitute just as good and hopefully much better. This subcommittee has demonstrated in the past that it will do just that—and that is what we are counting on.

I again thank you for this opportunity to appear before you and to express our views.

Thank you very much.

Mr. ANDERSON. Thank you, Mr. Cushing.

Do I correctly understand from your testimony that in general, you support the FAA's proposal to modernize flight service stations and you support in principle the FAA's proposal to reduce the present 300 locations to 61.

Mr. CUSHING. We support the concept that we have to make a start somewhere, and this is a beginning. What we have said repeatedly is we would like this body to view with caution what comes out of that 61-station system, and that is why we request that the system as it stands now be retained until the new system has been demonstrated.

If you recall, one of the last times we testified, a couple years back, we referred to the FAA's then program to reduce the system to 20 stations, colocated with air route traffic control centers. Our reservation was that the system had not been tested, and it very well could not work, and that has now been proven. The FAA has abandoned its proposal in that regard. They have one colocated station which the Congress did permit, at Leesburg, and they are in the process of abandoning that.

Mr. **Anderson**. Are you satisfied with the FAA's schedule for the modernizing program, and do you think the FAA's fiscal year 1981 budget for $85 million for flight service station modernization is sufficient?

Mr. **Cushing**. Considering the way they are doing it, it is sufficient. They are doing it incrementally, and that is enough for that 1 year. I am not satisfied with the way they are doing it, however.

Mr. **Anderson**. Do you want to elaborate on why you are not satisfied?

Mr. **Cushing**. Well, the program is 20 years overdue already, and it seems to me that what they are doing is using the maximum amount of time in order to arrive at an automated system.

Mr. **Anderson**. In your testimony, you cite the accident rate for general aviation. Do you think that an inadequate flight service station system is responsible for a significant portion of those accidents?

Mr. **Cushing**. Yes, I do.

I think the record shows that in general aviation, some 40-plus percent of the accidents are weather-related, which relates directly to one of the services that we provide. And I do not think there is any question that deterioration of the system and the inability to provide adequate weather information has contributed.

Mr. **Anderson**. In your testimony, you raise the question of what should be done to improve the system until modernization is completed. Do you have any suggestions for interim improvements?

Mr. **Cushing**. What the system needs right now—the only thing that I can specifically address—is not going to take a year or more to provide, and that is staffing. We are chronically understaffed, and we have been for years. And as I pointed out also in the statement, only the wisdom of the Congress has provided us even a little bit of relief; 10 additional positions in 1979, 25 positions in 1980. That is the only new staffing we have had in 5, 6, 7 years, in a work environment where the requirements have increased—that is, the demand for our services has increased—at a rate of over 10 percent a year.

Mr. **Anderson**. Thank you.

Mr. Snyder?

Mr. **Snyder**. Thank you, Mr. Chairman.

Mr. Cushing, in the 1976 amendments to ADAP, we included a provision to prohibit the closing or remoting of existing flight service stations, with the exception, I believe, of five that were consolidations. We are sitting on something over 300 now, I think, and talk of wanting to cut them down to 61. Do you think we ought to put that provision in the ADAP bill this year?

Mr. **Cushing**. I certainly do, yes, until such time as the FAA has been able to demonstrate that the 61-station concept is workable.

Now, if you remember, when that language was requested was at the time the FAA proposed to, over a period of about 3 years, close all existing stations, and put them into the center environment, colocate them with air route traffic control centers.

And your language that they can close up to five stations in order to test the system, whereby they were going to put stations colocated at centers. And as I said earlier, they have now abandoned that project; it does not work. So you showed great wisdom in putting that restriction in there, and we definitely request that it be retained.

Mr. **Snyder**. Your concern is, as I understand it, basically, that accurate visibility and ceiling information is not available at a remote station.

Mr. **Cushing**. Well, that is true. I do believe that that can be addressed in the nonmanned environment. I do not think it is possible today, but it can be done, and the FAA is working on it, and we do support the project.

Mr. **Snyder**. You are suggesting, then, that equipment is being developed that will give them that capability from a remote?

Mr. **Cushing**. Eventually, and I think we are looking at something that is probably 4 or 5 years down the road.

Mr. **Snyder**. According to the FAA, there was somewhere between 3 to 9 million pilot calls to flight service stations that went unheeded last year. Do you concur in that figure?

Mr. **Cushing**. I will confirm the figure, and I will confirm also the fact that the FAA does not really have a capability for recording the total number of lost calls. This was a test project that demonstrated that?

Mr. **Snyder**. Why does that happen?

Mr. **Cushing**. It happens because there are not enough people to provide the service. That is the primary cause. It is not uncommon in a flight service station in today's environment to have a bank of telephones provided for pilot access to a flight service station. And I am talking about 10, 12, and sometimes more different numbers that can all ring at the same time. And very, very frequently, there is one person to answer those phones; sometimes, two. And that is why there are so many lost calls.

And as I said, whatever the million number was, that was just a fraction of the number.

Mr. **Snyder**. Is it not a common practice for a GA pilot, particularly flying a business aircraft, to keep a list of long-distance phone call numbers in his pocket to remote flight service stations when he cannot get through to a crowded one that he is going to go out of—say, going out of New York, and he might call Tennessee, or something?

Mr. **Cushing**. Very definitely, yes. The last time I worked as a controller was about 6 years ago, and we very frequently would get calls from Upstate New York, from Connecticut, from the Washington area—and I am talking about a station in Augusta, Maine. And the purpose was not because they were so in love with the service we provided, but we were available sometimes when they were not available in metropolitan areas. That is why we would get the calls.

Mr. **Snyder**. Is it your experience that pilots do a lot of scud-running so they can get you on the radio instead of the telephone?

Mr. **Cushing**. There is no question about it. I think the practice has decreased a little bit over the past year. I think the reason is that the accident and the fatality numbers convinced many of them that it would be better to forego a trip, and that is a rather sad commentary on the state of affairs, if you will, when a determination to fly is based on the fact that you cannot get service that you think you are entitled to.

Mr. **Snyder**. Can you pass judgment or given an opinion as to whether there is any relationship between the unavailability of flight service stations' calls to be answered and the GA accident rate?

Mr. **Cushing**. I think very definitely, there is. I think we provide information regarding weather, which is vital to aviation safety. If the pilot cannot get into the system to get the information, I think it was already pointed out, many of them elected to fly without it.

Mr. **Snyder**. Do we have any specific cases that we know of where there have been general aviation accidents and that the pilot had tried to get through to flight service and could not?

Mr. **Cushing**. I do not have any specifics that I can say precisely the fact that he could not get to a station was the cause, but I can point to a number of them—and I cannot give you specifics on them, but I will talk about the pilot that flies a rather sophisticated aircraft, and he is flying in an instrument flight ruled environment where the weather is bad and he is at low altitude, and this pilot turns up missing, and they find him on the side of the hill, with the aircraft destroyed, and the passengers and the pilot dead.

Now, there is no record of any kind that he contacted anybody on the radio to ask for assistance. To me, this just is not sensible that a man who has the capability will not use it.

Mr. **Snyder**. Well, you can hardly attribute that to the inability to get a hold of a flight service station. My experience has been that they are tough to get ahold of on the telephone, but they respond well on the radio.

Mr. **Cushing**. They do, if they hear you. And I am talking about the program to part-time stations, and I am talking about accidents that occur when stations are part time. I do know of one accident that happened in the western region, where the pilot—I think the investigation indicated that he had some form of radio trouble—but he would have been able to contact the station that was closed at the time, but he could not contact the station that was some 400 or 500 miles away. And that aircraft crashed for lack of data and lack of information, I do believe.

But again, I cannot say definitely that was it.

Mr. **Snyder**. Apparently, the FAA has decided to abandon its plan to colocate new flight service stations at air traffic control centers, based on the experiment at Leesburg, where they consolidated, I guess, three of them. Do you agree with their decision to abandon the idea?

Mr. **Cushing**. We counselled against it from the beginning. We did not believe it would work, and I think the events proved that we were right. They have three stations now colocated—well, it is not colocated, really. There are two. There is one in Indianapolis, and one in Leesburg, and they have another one which has automated equipment, which is in Atlanta, but it is not colocated.

Mr. **Snyder**. But you do agree with the decision to abandon that program?

Mr. **Cushing**. Very definitely.

Mr. **Snyder**. Mr. Chairman, I have a few other questions, and in the interest of time, I would like to submit them and ask unanimous consent to do so.

Mr. **Anderson**. No objection; so ordered.

[The following was received for the record:]

NAATS

NATIONAL ASSOCIATION OF AIR TRAFFIC SPECIALISTS

SUITE 415 WHEATON PLAZA NORTH
WHEATON, MARYLAND 20902

Area Code 301
946-0882

QUESTIONS FOR NATIONAL ASSOCIATION OF AIR TRAFFIC SPECIALISTS

ADAP Hearing
March ~~18~~ 25, 1980

1. In your testimony you state that ceiling and visibility data is not provided by a station which is being remoted (having one FSS handling the calls made to another FSS so that staffing is not needed at the first facility).

   Is there any equipment presently being developed which would be able to provide a pilot with this information while still allowing the FAA to remote the facility?

   If not, should FAA be prohibited from remoting until this information is available?

   ANSWER: The FAA has requested $4,656,700 in the FY 1981 budget request (page 243 - 1981 Budget Justifications) for this purpose. How effective the product will be is unknown to us. We believe that remoting should be prohibited until this vital information can be provided to the user.

2. In the 1976 ADAP amendments, a provision was included to prohibit the closing or remoting of existing FSSs except for five consolidation demonstration programs. What effect did this amendment have on the services provided to pilots?

   Do you believe a similar provision should be included in future legislation?

   ANSWER: We believe that the amendment maintained services to the general aviation user at the highest level possible.
   We further believe that similar provision be included in future legislation and continued until such time that the FAA can demonstrate that its modernization program can provide equal or better safety information to the user.

3. According to your testimony, general aviation accident fatalities were down from 1,690 in 1978 to 1,379 in 1979, a reduction of about 18%.

   What factors do you believe are primarily responsible for this reduction?

ANSWER: The San Diego disaster resulted in 144 fatalities. The National Transportation Safety Board charged these fatalities to general aviation. The remaining reduction of 167 fatalities are attributed to:

Increased flight service staffing;
FAA pressure on all regions to emphasize general aviation safety;
Acts of God.

4. According to the FAA there were 3 to 9 million pilot calls to FSSs that went unheeded last year. Why does this occur?

What contribution did this have, in your opinion, to the number of general aviation accidents last year?

ANSWER: This situation occurs simply because there are not enough Air Traffic Control Specialists (station) to answer the incoming telephone calls.

Forty percent (40%) of general aviation accidents are weather related. In our opinion fifteen percent (15%) of these accidents could have been caused by unheeded requests for safety information.

5. What is the status of the Flight Service Station Modernization Program? What specific improvements, if any, have been implemented by FAA as part of this program or its Automation Program?

ANSWER: The FAA has let three (3) contracts for the construction of a prototype Flight Service Station for a design and verification phase. At the end of this phase a production contract will be awarded to the successful company. The FAA has requested $85 million in the FY 1981 budget for the production models.

6. Apparently the FAA has decided to abandon its plan to co-locate new FSSs at Air Route Traffic Control Centers.

Based on the experiment that the FAA conducted at the Leesburg Center (where they consolidated three FSSs into one and located that FSS at Leesburg), do you agree that the agency's decision to abandon this idea is a wise one?

ANSWER: This Association has steadfastly maintained that collocating FSS and Air Route Traffic Control Centers is counter productive to aviation safety. Personnel problems alone is a sufficient reason not to collocate. NAATS applauds the FAA decision to place the modern Flight Service Stations at general aviation airports.

7. In earlier testimony before this Committee in September of last year, you gave some cost estimates for the installation of a real-time weather radar (one time cost of $28,000, $2,500 per month) at FSSs.

Does FAA plan to install this equipment at the 61 FSSs it now plans to have?

ANSWER: The FAA informs us that the 61 modern Flight Service Stations will have dedicated weather radar capability.

Mr. **Anderson**. Thank you, Mr. Cushing, and Mr. Huie, for your presentation.

Mr. **Cushing**. Thank you, sir.

Mr. **Anderson**. Our next witness will be Mr. Albert Huber, general manager of the Louisville/Jefferson County Airport, and we are very pleased to have Congressman Snyder here to give him a formal introduction.

Mr. **Snyder**. Thank you, Mr. Chairman.

I want to welcome not only Al Huber, but two other Kentuckians, John Games, from Owensboro, and Jim Brough, from Lexington. I will say that we are delighted to have them before our subcommittee this morning.

I question a little bit why Al Huber is here, because I can probably go into my office while he testifies; I already know his opinion. He has expressed it to me very vociferously over the period of time.

But we are glad to have you here. These are three fellows who have practical experience in the practical problems of running airports in our area, and they do a good job for us, Mr. Chairman, and I am sure that their advice and counsel will be well-heeded by our subcommittee.

Thank you for this opportunity to say hello to you, and we are glad you are here.

Mr. **Anderson**. Mr. Huber, the full text of your prepared statement will appear in the record at this point.

[Statement referred to follows:]

JOINT STATEMENT OF THE
LOUISVILLE AND JEFFERSON COUNTY AIR BOARD

LEXINGTON-FAYETTE URBAN COUNTY AIRPORT BOARD

GREATER CINCINNATI AIRPORT

OWENSBORO-DAVIESS COUNTY AIRPORT BOARD

on

H. R. 6721

AIRPORT AND AIRWAY IMPROVEMENT ACT OF 1980

before the

SUBCOMMITTEE ON AVIATION
Committee on Public Works and Transportation
United States House of Representatives

Albert J. Huber
General Manager
Louisville and Jefferson
County Air Board
Louisville, Kentucky

March 18, 1980

Mr. Chairman and Members of the Subcommittee:

I appreciate this opportunity to present the views of the Louisville and Jefferson County Air Board, Louisville, Kentucky; together with the views of the Lexington-Fayette Urban County Airport Board, Lexington, Kentucky; the Greater Cincinnati Airport serving Ohio and Covington, Kentucky; and the Owensboro-Daviess County Airport Board, Owensboro, Kentucky on proposed legislation to extend the Airport Development Aid Program for an additional five (5) year period. These airport sponsors represent over 90% of the air carrier passengers and aircraft operations and approximately 50% of the total general aviation activity within the Commonwealth of Kentucky.

Accompanying me today are Mr. James Brough, Executive Director of the Lexington-Fayette Urban County Airport Board, Lexington, Kentucky, a small hub airport; and Mr. John Games, Airport Manager of the Owensboro-Daviess County Airport Board.

Prior to his position at Lexington, Mr. Brough was Airport Manager at LaCrosse, Wisconsin and Administrative Assistant at the Indianapolis International Airport in Indianapolis, Indiana. Mr. Brough has a BAA in Business Administration from Texas A & M. He has served as past president of the Kentucky Aviation Association; past Secretary-Treasurer of the Wisconsin Airport Managers Association and Director of the Great Lakes Chapter of the American Association of Airport Executives.

Mr. Games is a graduate of Middle Tennessee State University with a degree in Aerospace Management. Prior to his present position, Mr. Games worked for the Kentucky State Division of Aeronautics. Mr. Games is founding president of the

Kentucky Aviation Association; and Chairman of the Small Airports Committee of the Southeast Airport Managers Association.

As for my background, I am the General Manager and Chief Executive Officer of the Louisville and Jefferson County Air Board. Prior to assuming that position in 1977, I served as President of the Metropolitan Nashville Airport Authority in Tennessee; and Director of Airports for the County of Sacramento; Director of Aviation of Kern County; and Assistant Manager, Haywood Air Terminal, all in California. I have had the administrative responsibility of operating medium, small and non-hub air carrier airports in addition to reliever and satellite general aviation airports (an accumulative total of 23 individual airports). My aviation experience dates back to 1943. My formal education has been in the field of commercial aviation with a Bachelor of Science Degree from the University of Southern California.

I have served as past presidents of the California Association of Airport Executives and the Tennessee Association of Air Carrier Airports; held the position of Director of the American Association of Airport Executives and the Airport Operators Council International. I am an Accredited Airport Executive and a sustaining member of the American Society of Traffic and Transportation, Inc.

H.R. 6721

AIRPORT AND AIRWAY IMPROVEMENT ACT OF 1980

Congress in its wisdom created the Airport and Airway Trust Fund in 1970 and established a system of user charges to insure a mechanism to finance vital aviation safety improvements and to assure added capacity to our nation's airport system. The express purpose was to assure a stable flow of development funds back to our communities and their airports. The intent was commendable and the using public responded in an unselfish way. I have yet to hear any passenger or shipper complain about the additional passenger ticket and waybill tax. Congress and the industry did a fine public relations job in convincing the users they were going to get their money back in the form of safer airports, modernized navigational and traffic control systems and added capacity in the form of new or expanded airports. We encourage Congress to act expeditiously on any new legislation extending this concept so that continuity of both funding and programming is not delayed.

While everyone might agree the present ADAP legislation is a vast improvement over previous federal assistance programs, the chronically inadequate level of funds available through the years has caused considerable concern both with the using public and within the industry that sufficient attention is not being given to improved airport safety and additional capacity to meet the increase in demand for airport services. One must look at the airports of this nation as a system—interdependent and supportive of each other. Airports are a true public utility. One airport cannot exist alone; two provide the embryo of a system. Today there are 6,863 public use airports of which 4,290 are publicly owned.

A majority of public use airports are still owned and operated by city and county governments. While the largest are probably operated as "public enterprises" on the accounting theory they are profit centers, the vast majority must compete for funds with a host of other public service needs of the community. Sewer and water systems, hospitals, streets, parks, marinas, golf courses, bike trails, social welfare and storm drainage projects are difficult to compete with at the annual local budget sessions unless attractive federal grants are available to assist in the financing. The present matching formula of 75% for large and medium air carrier and 90% for all other airports has been a great help in justifying local funding for eligible projects to enhance safety and build additional airport capacity.

In discussing federal airport grants, one must continue to keep in mind these federal grants require no new federal taxes, nor are they funded out of the general budget. The Trust Fund money belongs neither to Congress, the Federal Government, the airlines, nor the airport owners, but to the citizens of each community who utilize the air transportation system. They pay the user tax. They expect their money to come back to them in the form of new, improved and safer airports——not to help balance the federal budget.

One must bear in mind the vast majority of general aviation airports are not owned or operated by the same sponsor who may own and operate the airline hub airport with its attendant large and diverse economic base. Many regional airport systems exist in the U.S. where one sponsor may operate a half dozen or more general aviation satellite airports each with a very narrow economic base. There are exceptions. Dade County, Florida and Minneapolis, Minnesota are the two noticeable exceptions where a major airline hub airport sponsor also supports a major satellite system of general aviation airports.

One ingredient which is vital to airport financing of long-term capital improvements is stability. Revenue bond issues have become a major source of funding for airport projects. One cannot market revenue bonds based on a "yo-yo" effect of revenue flow. An airport sponsor must have a reasonable assurance of revenues being generated in a consistent and level amount over the term of financing. An aspect which made the present ADAP so attractive to airport operators was some predictability of grant funds over at least a five-year period. Guarantees in the form of funds based on airport passenger enplanements and the ability of airports to accumulate up to three years' funds before spending have been extremely helpful. Advance funding guarantees of multi-year grants from discretionary funds are also helpful.

ADAP funds are received in relatively large amounts at the time the eligible project is completed (75% at large and medium hubs; 90% all other airports). Thus if revenue bonds are used, only the net is financed and the "up front" money received as grants makes the project more attractive and virtually risk free for the bond investor. Hence an attractive risk rating and a relatively low interest rate on revenue bonds.

Any legislation on airport financing must recognize the plight of the small airport and its ability to finance major capital improvements. A major taxiway and runway extension or aircraft apron of comparable length and strength costs as much in, say, Lexington or Owensboro, Kentucky as it does in Chicago or Los Angeles; yet the revenue generated and the ADAP funds available for small airports are pitifully meager. The larger airports, including Louisville, should have no objection in allowing a weighted formula in favor of the small airports. A single and larger discretionary fund as now proposed by H.R. 6721 will assist in this regard.

As was pointed out above, some major airports also operate satellite or reliever airports such as Bowman Field in Louisville. These satellite and reliever airports are in many cases subsidized by the revenue generated at the hub airport—especially for capital improvements. There must be assurances in any new legislation that the funds from the Trust Fund for these reliever and satellite airports flow directly back to the airport owner—not to some other agency to determine regional or state priorities. There are now instances where "relievers" are necessary for relievers. Again Bowman is a case in point. Bowman Field, a purely general aviation airport, should reach operational capacity by 1990 with some 600 based aircraft, a 50% increase over what is now based. The proposed Clark County Airport in Southern Indiana is viewed as a reliever to Bowman.

The involvement of states in their respective areas has evolved over the years at varying degrees of capability depending on each state's own desires and abilities. This has been dependent to a large measure on how the local agencies (city, county, and special districts) have exercised their authority and developed the state's system of airports. Strong city and county initiative results in a strong state system of airports with minimum state involvement necessary; a weak city and county airport program results in maximum state involvement if an adequate state system is to be established. Present legislation permits this flexibility of state involvement based on individual state determination on a voluntary basis. We see no need to make state participation in local or regional airport matters mandatory. It is currently referred to as "channelization" and allows each state to determine its own level of involvement. This feature should not be changed.

In spite of Congress' aggressive programs to alleviate aircraft noise in the vicinity of airports by meaningful reduction at its source——the aircraft engine——many millions of people are and will be in the future impacted severely by aircraft noise. Innovative programs can be developed on the ground by airport sponsors which will additionally help ease this impact. We are extremely pleased to see funds specifically set aside for noise abatement programs as contained in H.R. 6721.

Specifically, our comments on H.R. 6721 are as follows:

1. Total level of funding seems adequate and the 7% increase each year recognizes the inflationary pressures which are occurring in the economy. If inflationary trends continue, consideration should be given to adopting the President's higher wage and price guideline of 9.5% as a substitute for the 7%.
2. The inclusion of planning grants as eligible items of airport development thus eliminating them as special grants is prudent.

3. To simplify the classification of airports and recognize that an airport—whether its passenger traffic is generated by a certificated CAB carrier, an intrastate carrier, a commuter or a scheduled air taxi—is in essence a Scheduled Commercial Airport, we suggest that there need be only three airport classifications:
   (a) Scheduled Commercial Airport;
   (b) Reliever Airport; and
   (c) General Aviation Airport.

4. We would suggest the elimination of the term "primary hub" and the method of funding. Should this feature be retained, the hub classification should be expanded to include all hubs operating reliever airports.

5. Funding levels and formulas for determining amounts are acceptable with:
   (a) $200,000 minimum per year for any scheduled commercial service airport and $12.5-million maximum per year;
   (b) $45-million per year for relievers; and
   (c) $85-million per year for general aviation.

6. We would suggest a "Special Project" feature wherein airport development projects of such national importance and magnitude which enhance the safety and increase the capacity of the nation's system of airports be funded as a line item out of the Trust Fund surplus. Projects such as the purchase of the Hollywood/Burbank Airport and the rebuilding of the Harry S. Truman Airport, which totaled almost $100-million were funded from the discretionary fund thus reducing the amounts available to all other airports. The feature as suggested above would eliminate this inequity.

7. Formulas for state apportionment, discretionary and enplanement funds retain the existing concept with the added provision of recognizing inflationary pressures by providing for 7% overall annual increases and a one time increase of 10% for enplanement funds.

8. Duration and availability of funds should be extended to allow for:
   (a) Enplanement Funds - year made available plus three years following;
   (b) Discretionary Funds - multi-year grants up to four years; and
   (c) Large single projects - funded as a line item out of the Trust Fund surplus.

9. No change from present state authorization for participation in local or regional airport programs. Retain voluntary state "channelization" concept.

10. User taxes should be at whatever level is necessary to keep the Trust Fund viable and maintain a reasonable level of surpluses for contingencies in the Trust Fund. Present surplus should be committed primarily to airport safety and capacity expansion; secondly to FAA facility maintenance and R&D; and thirdly, to maintain reserves.

11. Sponsor's matching fund ratio is adequate as follows:
    (a) Large and medium certificated Scheduled Commercial Airports - 75%;
    (b) Reliever Airports - 90%;
    (c) All other airports - 90%; and
    (d) Terminal development up to 60% of enplanement funds not to exceed 50% of eligible terminal projects.

12 We support the concept of federal funds being available for public use, private airport development provided assurances are obtained from owners with guarantees that are the same as those obtained from public airport sponsors.

13. Passenger enplanements should be defined as any enplaned passenger carried by a scheduled commercial aircraft including a commuter, scheduled air taxi or intrastate airline. This definition shall then give a passenger base to those airports which have only scheduled air taxi operators as replacement carriers for essential service.

In conclusion, Mr. Chairman, may we summarize with the observation that H.R. 6721 is a commendable effort to fine tune existing legislation to provide a funding mechanism which basically has worked well in the past but has been plagued with chronic unfunding and power politics by the Administration in keeping a lid on appropriations for the express purpose of using the Trust Fund surplus to assist in balancing the General Fund Federal Budget. We respectfully implore this Committee to assure that once this legislation is enacted and specific levels of funding are authorized that these levels in fact will be able to be spent for the eligible projects as envisioned by this Committee.

H.R. 6721 also recognizes, by being silent on the issue, the fallacy of so-called airport "defederalization" wherein only a few of our very wealthy airports could afford the luxury of foregoing all federal aid and developing a negotiating base to provide for replacement of lost federal funds through direct negotiations with airline users. Should defederalization somehow prevail in the House-Senate Conference Committee, we then would demand that such compliance be voluntary and provisions be provided for airports to assess a passenger service user charge directly.

Respectfully submitted,

Albert J. Hu[illegible], General Manager
Louisville & Jefferson County
Air Board

Mr. **Anderson**. Please proceed.

TESTIMONY OF ALBERT HUBER, GENERAL MANAGER, LOUISVILLE/JEFFERSON COUNTY AIR BOARD, LOUISVILLE, KY., ACCOMPANIED BY JAMES BROUGH, AIRPORT DIRECTOR, LEXINGTON/BLUEGRASS AIRPORT, LEXINGTON, KY.; AND JOHN GAMES, AIRPORT MANAGER, OWENSBORO-DAVIESS COUNTY AIRPORT BOARD

Mr. **Huber**. Thank you, Gene.

Mr. Chairman and Members of the subcommittee, I appreciate this opportunity to present the views of the Louisville/Jefferson County Air Board, together with the views of the Lexington-Fayette Urban County Airport Board, the Greater Cincinnati Airport serving Ohio and Covington, Ky.; and the Owensboro-Daviess County Airport Board, Owensboro, Ky., on proposed legislation to extend the Airport Development Aid Program for an additional 5-year period.

These airport sponsors represent over 90 percent of the air carrier passengers and aircraft operations and approximately 50 percent of the total general aviation activity within the Commonwealth of Kentucky.

As Mr. Snyder indicated, Mr. James Brough, executive director of the Lexington Fayette Urban County Airport Board, Lexington, Ky., a small hub airport, and Mr. John Games, airport manager of the Owensboro-Daviess County Airport Board, an airport in "Never-Never-Land"; it used to be an air carrier airport, lost all of its scheduled service, classified as a general aviation airport, and now is in reality a commuter airport. [Background material attached to prepared statement.]

Collectively, we represent management experience at some 26 airports in California, Tennessee, Kentucky, and Wisconsin.

Regarding H.R. 6721, the Airport and Airway Development Improvement Act of 1980, Congress in its wisdom created the Airport and Airway Trust Fund in 1970 and established a system of user charges to insure a mechanism to finance vital aviation safety improvements and to assure added capacity to our Nation's airport system.

The express purpose was to assure a stable flow of development funds back to our communities and their airports. The intent was commendable, and the using public responded in an unselfish way.

I have yet to hear any passenger or shipper complain about the additional passenger ticket and waybill tax. Congress and the industry did a fine public relations job in convincing the users they were going to get their money back in the form of safer airports, modernized navigational and traffic control systems and added capacity in the form of new or expanded airports.

We encourage Congress to act expeditiously on any new legislation extending this concept so that continuity of both funding and programing is not delayed.

While everyone might agree the present ADAP legislation is a vast improvement over previous Federal assistance programs, the chronically inadequate level of funds available through the years has caused considerable concern, both with the using public and within the industry, that sufficient attention is not being given to improved airport safety and additional capacity to meet the increase in demand for airport services.

One must look at the airports of this Nation as a system—interdependent and supportive of each other. Airports are a true public utility. One airport cannot exist alone; two provide the embryo of a system. Today there are 6,863 public use airports of which 4,290 are publicly owned.

A majority of public use airports are still owned and operated by city and county governments. While the largest are probably operated as public "enterprises" on the accounting theory they are profit centers, the vast majority must compete for funds with a host of other public service needs of the community.

Sewer and water systems, hospitals, streets, parks, marinas, golf courses, bike trails, social welfare and storm drainage projects are difficult to compete with at the annual local budget sessions unless attractive Federal grants are available to assist in the financing. The present matching formula of 75 percent of large and medium air carrier and 90 percent for all other airports has been a great help in justifying local funding for eligible projects to enhance safety and build additional airport capacity.

In discussing Federal airport grants, one must continue to keep in mind these Federal grants require no new Federal taxes, nor are they funded out of the general budget. The Trust Fund money belongs neither to Congress, the Federal Government, the airlines, nor the airport owners, but to the citizens of each community who utilize the air transportation system. They pay the user tax. They expect their money to come back to them in the form of new, improved and safer airports—not to help balance the Federal budget.

The vast majority of general aviation airports are not owned or operated by the same sponsor who may own and operate the airline hub airport with its attendant large and diverse economic base. Many regional airport systems exist in the United States where one sponsor may operate a half dozen or more general aviation satellite airports, each with a very narrow economic base. There are exceptions. Dade County, Fla. and Minneapolis, Minn. are two noticeable exceptions where a major airline hub airport sponsor also supports a major satellite system of general aviation airports.

One ingredient which is vital to airport financing of long-term capital improvements is stability. Revenue bond issues have become a major source of funding for airport projects. One cannot market revenue bonds based on a "yo-yo" effect of revenue flow.

An airport sponsor must have a reasonable assurance of revenues being generated in a consistent and level amount over the term of financing. An aspect which made the present ADAP so attractive to airport operators was some predictability of grant funds over at least a 5-year period.

Guarantees in the form of funds based on airport passenger enplanements and the ability of airports to accumulate up to 3 years' funds before spending have been extremely helpful. Advance funding guarantees of multiyear grants from discretionary funds are also helpful.

ADAP funds are received in relatively large amounts at the time the eligible project is completed—75 percent at large and medium hubs; 90 percent all other airports. Thus if revenue bonds are used, only the net is financed and the "up front" money received as grants makes the project more attractive and virtually risk free for the bond investor. Hence an attractive risk rating and a relatively low interest rate on revenue bonds.

Any legislation on airport financing must recognize the plight of the small airport and its ability to finance major capital improvements. A major taxiway and runway extension or aircraft apron of comparable length and strength costs as much in, say, Lexington or Owensboro, Ky., as it does in Chicago or Los Angeles; yet the revenue generated and the ADAP funds available for small airports are pitifully meager. The larger airports, including Louisville, should have no objection in allowing a weighted formula in favor of the small airports. A single and larger discretionary fund as now proposed by H.R. 6721 will assist in this regard.

As was pointed out above, some major airports also operate satellite or reliever airports such as Bowman Field in Louisville. These satellite and reliever airports are in many cases subsidized by the revenue generated at the hub airport—especially for capital improvements. There must be assurances in any new legislation that the funds from the trust fund for these reliever and satellite airports flow directly back to the airport owner—not to some other agency to determine regional or State priorities. There are now instances where "relievers" are necessary for airport. Again Bowman is a case in point. Bowman Field, a purely general aviation airport, should reach operational capacity by 1990 with some 600 based aircraft, a 50-percent increase over what is now based. The proposed Clark County Airport in southern Indiana is viewed as a reliever to Bowman.

Mr. Don Clausen, and old compatriot of mine from California, wanted me to mention to you the fact that in many areas of the United States where we have regional systems of airports, your present legislation, as it is framed, can go a long way toward solving of these capacity problems and eliminate the safety problems of mixing high-performance aircraft with general aviation aircraft. It is very important to establish a system of airports around the hub, like San Diego, San Francisco, Los Angeles, and other airports in the country.

The involvement of States in their respective areas has evolved over the years at varying degrees of capability depending on each State's own desires and abilities. This has been dependent to a large measure on how the local agencies—city, county, and special districts—have exercised their authority and developed the State's system of airports. Strong city and county initiative results in a strong State system of airports with minimum State involvement necessary; a weak city and county airport program results in maximum State involvement if an adequate State system is to be established. Present legislation permits this flexibility of State involvement based on individual State determination on a voluntary basis. We see no need to make State participation in local or regional airport matters mandatory. It is currently referred to as channelization and allows each State to determine its own level of involvement. This feature should not be changed.

In spite of Congress aggressive programs to alleviate noise in the vicinity of airports by meaningful reduction at its source—the aircraft engine—many millions of people are and will be in the future impacted severely by aircraft noise. Innovative programs can be developed on the ground by airport sponsors which will additionally help ease this impact. We are extremely pleased to see funds specifically set aside for noise abatement programs as contained in H.R. 6721.

If I may, Mr. Chairman, we will make specific comments. The list is a little bit longer in our prepared statement. I will skip over the matters that may be some suggested changes to the proposed legislation, rather than comment on each individual one.

The inclusion of planning grants as eligible items of airport development thus eliminating them as special grants is prudent.

To simplify the classification of airports and recognize that an airport—whether its passenger traffic is generated by a certificated CAB carrier, an intrastate carrier, a commuter, or a scheduled air taxi—is in essence a scheduled commercial airport, we suggest that there need be only three airport classifications: (*a*) Scheduled commercial airport; (*b*) reliever airport; and (*c*) general aviation airport.

We would suggest the elimination of the term "primary hub" and the method of funding. Should this feature be retained, the hub classification should be expanded to include all hubs operating reliever airports.

We would suggest a "special project" feature wherein airport development projects of such national importance and magnitude which enhance the safety and increase the capacity of the Nation's system of airports be funded as a line item out of the trust fund surplus. Projects such as the purchase of the Hollywood/Burbank Airport and the rebuilding of the Harry S. Truman Airport, which totaled almost $100 million were funded from the discretionary fund thus reducing the amounts available to all other airports. The feature as suggested above would eliminate this inequity.

Formulas for State apportionment, discretionary and enplanement funds retain the existing concept with the added provision of recognizing inflationary pressures by providing for 7 percent overall annual increases and a one-time increase of 10 percent for enplanement funds.

Duration and availability of funds should be extended. We feel this is important because it allows the airports to be long-term funded and program. If we can be assured of funds for a longer period of time it eases our burden.

Duration and availability of funds should be extended to allow for: (*a*) Enplanement funds—year made available plus 3 years following; (*b*) discretionary funds—multiyear grants up to 4 years; and (*c*) large single projects—funded as a line item out of the trust fund surplus.

No change from present State authorization for participation in local or regional airport programs. Retain voluntary State channelization concept.

User taxes should be at whatever level is necessary to keep the trust fund viable and maintain a reasonable level of surpluses for contingencies in the trust fund. Present surplus should be committed primarily to airport safety and capacity expansion; second, to FAA facility maintenance and R. & D.; and third,, to maintain reserves.

Sponsor's matching fund ratio is adequate as follows: (*a*) Large and medium certificated scheduled commercial airports—75 percent; (*b*) reliever airports—90 percent; (*c*) all other airports—90 percent; and (*d*) terminal development up to 60 percent of enplanement funds not to exceed 50 percent of eligible terminal projects.

We support the concept of Federal funds being available for public use, private airport development provided assurances are obtained from owners with guarantees that are the same as those obtained from public airport sponsors. Passenger enplanements should be defined as any enplaned passenger carried by a scheduled commercial aircraft including a commuter, scheduled air taxi or intrastate airline. This definition shall then give a passenger base to those airports which have only scheduled air taxi operators as replacement carriers for essential service.

In conclusion, Mr. Chairman, may we summarize with the observation that H.R. 6721 is a commendable effort to fine tune existing legislation to provide a funding mechanism which basically has worked well in the past but has been plagued with chronic unfunding and power politics by the administration in keeping a lid on appropriations for the express purpose of using the trust fund surplus to assist in balancing the general fund Federal budget. We respectfully implore this committee to assure that once this legislation is enacted and specific levels of funding are authorized that these levels in fact will be able to be spent for the eligible projects as envisioned by this committee.

H.R. 6721 also recognizes, by being silent on the issue, the fallacy of so-called airport "defederalization" wherein only a few of our very wealthy airports could afford the luxury of foregoing all Federal aid and developing a negotiating base to provide for replacement of lost Federal funds through direct negotiations with airline users.

Should defederalization somehow prevail in the House-Senate conference committee, we then would demand that such compliance be voluntary and provisions be provided for airports to assess a passenger service user charge directly.

Thank you very much for the privilege of appearing here and both myself and my two colleagues will be available for any questions.

Mr. **Anderson**. Thank you very much, Mr. Huber.

If the Louisville and Cincinnati airports were defederalized as proposed in the Senate bill, are there any legal restrictions, such as "majority in interest" clauses, which would affect the airports' ability to obtain financing from the airlines for capital improvement? If so, could you explain the legal effects of any such restrictions?

Mr. **Huber**. The Cincinnati airport does have a majority in interest net lease with the carriers. I believe it is on a 30-year basis and they would have, probably, legal difficulties in breaking that lease or renegotiating it. In the case of Louisville, Mr. Chairman, we are a little bit unusual in that we do not have long-term leases with the airlines and we are able to renegotiate our leases ever so often to theoretically recapture the direct costs of providing airport and terminal facilities to the air carriers.

Mr. ANDERSON. Focusing again on defederalization, could you discuss how defederalization would affect your airport's bargaining position in trying to persuade the airlines to finance capital improvements?

Mr. HUBER. Without defederalization, such as it is now, it is extremely difficult to negotiate with the airlines. They form a very formidable negotiating team, unlimited resources in the legal frame. Louisville has been in and out of court with the airlines for the last 10 years over rates and charges. It is extremely difficult to negotiate with the airlines and only on facilities that they see a direct need and advantage to them. Facilities such as passenger convenience items, ground access to the interstate system, interior roadways; utilities; general aviation facilities; and in some cases air cargo, unless they are using them directly, are looked upon as something they are not particularly interested in financing.

Mr. ANDERSON. You have partially answered this, but do you think that there are some types of projects which would be funded by FAA under ADAP but would not be funded by the airlines if your airports were not eligible for ADAP funding?

Mr. HUBER. Under the Cannon bill, there is a large loophole in that defederalization would be withheld from the airport owner of the hub airport in addition to all of the other airports that he may operate and no funds would be available for that system of that airport, whether it is an airline facility or a general aviation facility. The airlines under Cannon's bill have a reduction in their ticket tax supposedly which an airport sponsor can recapture as a user tax. There is no similar reduction in general aviation user fees and therefore to recapture the loss of Federal funds a sponsor would have to go back and renegotiate higher user fees for the general aviation public and the general aviation user would still have to pay the same Federal fee that is contemplated under the existing legislation.

Mr. BROUGH. May I answer that, if I may? I think that the impact also affects the small airport such as the one I represent or would affect the smaller airports in that I think our negotiating posture for rates and charges would be somewhat lessened or hindered if the larger airports were not in the ADAP system and were bargaining separately with the airline for those costs. From the standpoint that we would probably get destroyed by the airlines, claiming their costs are so high at other larger airports that they cannot then afford to pay us the rates which we feel we need.

Mr. ANDERSON. In other words, you need those in addition to the ADAP funds that you would normally be receiving?

Mr. BROUGH. I am talking about landing fees and base rental to offset operating costs.

Mr. ANDERSON. Do you expect that any of the airports represented on the panel will be applying for funding for noise abatement planning programs under the Aviation Safety and Noise Reduction

Act of 1979? Would your answer be different if there is increased funding for noise programs as contemplated by H.R. 6721?

Mr. **Huber**. I believe Louisville has a very severe noise impacted area which is on the final approach to our main instrument runway. They are within probably about 6,000 feet of our final touchdown point and we do have multiengine jet transports coming in there in addition to a military operation using F-4's. If funding is provided as under H.R. 6721, we would plan to look into some innovative program to help alleviate that problem to that portion of the community. The fact that there are little or no funds available under the present legislation has left us sort of cold and we have felt there is no encouragement for us to go out and do anything innovative with the exception of things we can do with preferential runways, displaced thresholds, and technical things available to us now.

Mr. **Anderson**. Do any of your airports represented on the panel have substantial needs for new and additional projects under the facilities and equipment authorization? I have in mind such items as new radars, modernization of flight service stations, upgrading of radars and computers, and installation of instrument landing systems and other navigation and visual landing aid systems?

Mr. **Huber**. I think the traffic control system is just like the airport system. It is pretty well antiquated in some areas. Some airports are more fortunate than others.

In Louisville we have two new control towers. They just installed a repeater bright scope at Bowman. They are upgrading our ILS and our ALS systems. We feel fairly fortunate. However, there is always improvement, research, and development that is necessary and there are other airports in the area and commuter airports especially, that have very little good navigational aids at their airports. I think Mr. Games is a good example of an airport where he might want to talk about that particular subject.

Mr. **Games**. We have a request to be attached to a VOR in the RVR facility. It would be extremely helpful to us. The tower has problems in adequately identifying the visibility of the airport, sometimes causing unnecessary delays. RVR equipment would be extremely helpful.

Mr. **Anderson**. I just want to say you mentioned you are very fortunate that some of you have this equipment. You are very fortunate in having a leader here to my left. Every time we talk about problems of flying from California to Washington, he tells us about Louisville. Do you anticipate that there will be any need for any of the airports represented on the panel to limit their operations to relieve congestion or reduce noise? If so, what procedures do you think should be used to divide capacity among the airlines?

Mr. **Huber**. Well, again, I could speak all day about the Orange County situation. My history to Orange County goes back to 1956.

Again, Louisville is fortunate and blessed with a major air carrier airport and a major general aviation airport both close in with adequate facilities now to provide the capacity that is demanded by the community. We are very encouraged by the new general aviation airport over in southern Indiana called the Clark County Airport. I believe the funding and construction of that is well underway.

So as far as our particular area, at least for the next foreseeable 5 to 10 years, we feel we are pretty adequately taken care of. We still have to look to the future and plan for additional satellite airports to make sure that the airline capacity at the air carrier airport is not impacted negatively.

When you reach a certain ratio of general aviation to air carriers, the air carriers start being impacted and feeling delays that translate themselves into time and money with additional fuel, et cetera. Of course, you then have the potential safety problems, such as San Diego has, where you need to segregate the slow general aviation aircraft. When I say slow, I am talking about single engine and light twins. The corporate executive jets and multiengines can fit into the air traffic pattern quite easily. But it is a systems approach to a regional airport system that is so important. This allows you then to allocate the resources to create a maximum safe environment for all users of the air transportation system.

Mr. ANDERSON. Mr. Snyder?

Mr. SNYDER. Never mind about these insignificant statistics. What I want to get to is two of those three Member of Congress parking lot signs were down. I parked right next to you.

Mr. HUBER. As you know, the University of Louisville won their basketball game in Houston. They are going to the finals now and we had roughly a thousand very determined fans come out at 4 a.m. Sunday—correction—Monday morning, and they took your sign as a souvenir.

Mr. SNYDER. I parked where one of those signs used to be.

Mr. HUBER. I am sure we will not give you a ticket.

Mr. SNYDER. In the original draft that was circulated there was a lower proposal for the discretionary and enplanement formulas. We talked about this and I submitted our proposal to the staff, but they told me I could not get the other side to agree. You have not addressed that in your list of 13 items. Can I assume that you are relatively satisfied?

Mr. HUBER. Of course we would always like the highest level we can get. We feel it may be a suitable compromise between the discretionary and enplanement formulas. If you raised enplanement too high and keep the total level the same, it impacts the discretionary funds and, as I said, this is where the smaller airports look to get their funding. This is why I mentioned that most larger airports do not object to the weighted formula in favor of the smaller airports. So you need a pretty good sizable discretionary fund as well as the enplanement formula to have some continuity of projects.

Mr. SNYDER. I would like to run over your 13 points with you briefly. Either offer an explanation or I will ask a question about those that you recommend.

With regard to No. 1, I have to say to you that we had other numbers run out for us on the computer. We did not have 9.5 but we had 10-percent runout and we found that that just broke the bank too soon. It ate it up a lot faster. I am not so sure we can do anything more than we have suggested.

Mr. HUBER. We would like to have the highest but there is a practical limit.

Mr. **Snyder**. We did run 10 percent and it just ate it up too fast.

With regard to No. 2, we have $45 million, $9 million a year for assistance planning. Does that map conform with what you are suggesting?

Mr. **Huber**. As I understand it, the planning grant program is taken out as a separate item and is included as a part of airport development.

Mr. **Snyder**. What was put back in?

Mr. **Huber**. I would prefer they be part of the development program because planning is a very involved and technical thing. In airport planning you get involved in a lot of engineering that rightfully should be a part of the development program. Once you start constructing and you have only the limited funds available for planning, those funds could be eaten up very rapidly with just a few good planning programs around the Nation. If you put it in as part of the overall airport development, there is not this problem of deciding which is pure planning and which is engineering and which is planning-engineering and which is construction.

Mr. **Snyder**. In other words, you do not necessarily agree with the set aside?

Mr. **Huber**. No; I would prefer to see it taken out as a separate item and just contain it as an eligible item under airport development.

Mr. **Snyder**. If you still represented Orange County you would. That is where that came from.

Your No. 3 item, I think we basically have those three categories. I do not quite get the difference.

Mr. **Huber**. Mr. John Games, who is an airport operator has a real problem. He had Ozark Airlines for many, many years. Ozark has completely pulled out all service and Air Kentucky is providing that service and basically doing a very good job. But Air Kentucky is a part 135 scheduled air taxi and therefore Mr. Games has no credit for any enplanement traffic and he is classified then as a general aviation airport.

Mr. **Snyder**. I thought Owensboro would be commuter service under this bill?

Mr. **Games**. I have seen no provision for that.

I would like to make a brief statement, probably 3 minutes long, if it may please the chairman.

Mr. **Anderson**. Fine.

Mr. **Games**. Thank you. I did not have time to prepare a document to be presented today but I did want to make a short comment.

In 1970, commuter-type aircraft played a small role in public air transportation. However, in the years of the 1970 ADAP Act specifically, 1974 and 1975, commuter carriers began to demonstrate a very useful and necessary ingredient in the national air transportation system. In 1980, commuter airlines are projected to show an 89-percent increase in growth.

Commuter airline passengers rely on the small airport sponsors to adequately accommodate them in areas of safety and facilities.

How has ADAP figured into the small airport or commuter airport fundings in the past? In 1970 through 1975, commuter airports were considered GA airports. Competition for the discretionary moneys in this category were most often fruitless. In 1975, Congress began to recognize the role of commuter airlines in air transportation services by setting out $15 million in discretionary money for approximately 150 commuter airports. This amounts to $150,000 per year. However, as we well know, discretionary money was not available during the later years of the 1975 5-year ADAP progam because of special projects, as mentioned by Mr. Huber.

In 1980, Congress proposed to eliminate the commuter airport category by placing this type airport into the commercial service airport category. But upon reviewing the Senate and House ADAP proposals, we find that the commercial services airport category has been divided into two basic areas: (1) Primary hub; and (2) primary airport.

This division has caused the small airports to once again fall out of funding categories which would provide equitable safety and improvement funds necessary to accommodate the previously mentioned growth in the commuter airlines industry.

So where are we now? In regard to needed apportionment, H.R. 6721 places the small airports into an other than category because previously annual emplanements were less than 27,500.

I refer here to section 6(3)(A) on page 21. Funding proposals are reflected on page 22, section 6(3)(A)(1). Please note that the 1981 apportionment to this other than category of $85 million represents no increase over 1980 GA apportionments, and $15 million less than the commuter or small airport 1980 apportionment combined.

Furthermore, all A/C airports who boarded less than 27,500 passengers in 1980 will also fall into this category to compete for $85 million; noting again that this amount is the same 1980 apportionment for GA airports alone.

I now refer to page 23, subheading 2, wherein $200,000 annually is apportioned to each State for each commercial airport. It is my opinion, and that of my constituents, that this money will go into the State's apportionment to be competed for on the FAA priority formula.

This procedure has caused many local high priority projects to be indefinitely eliminated from the program.

In summary, I ask, where in the proposed ADAP bill is there a provision that guarantees small airports an equitable funding level?

We must realize that a commuting passenger at a small airport not only deserves the same safety considerations and accommodating facilities that are available at a larger airport, but he has paid for it.

I strongly support Mr. Huber's position that there should be only three categories of airports, and that funding levels and formulas be made available to all commercial service airports as defined in H.R. 6721.

Thank you for the opportunity to go through this.

Mr. **Snyder**. Your analysis of those provisions I believe to be correct. Our thinking, we added that $200,000 per airport, since you have scheduled service, that the State would be fair in saying that you got that portion.

I take it you do not have any confidence in the State administration?

Mr. **Games**. I think those funds are to be competed with under the FAA priority formula. I think basically what we are saying is, if the $200,000 goes into State apportionment for the combined amount of airports in the States, $200,000 for each airport, that this money could feasibly go into the kitty which would be funded to an airport with a high State priority project.

I feel instead of $200,000 going to the State, it should be going to the airport itself.

Mr. **Snyder**. I am curious about who else could compete with you for airports not otherwise covered.

Mr. **Games**. Let's take a $1 million project in Paducah. Under this particular item, $200,000 for each——

Mr. **Snyder**. They cannot get it because they are otherwise covered.

Mr. **Games**. They are marginal. They are losing service.

Mr. **Snyder**. I do not want to take all of our time. We thought we had taken care of Owensboro, and if you have not been taken care of, I wish you would visit with Mr. Fuller and tell him what those problems are.

Mr. **Anderson**. If we have not taken care of every airport in Kentucky, just let us know.

Mr. **Huber**. To go back to a similar situation you had with the intrastate carriers in California, before Congress changed the bill in that the emplanement——

Mr. **Snyder**. Never mind about California.

Mr. **Huber** [continuing]. The airports did not get any credit for intrastate traffic. We are saying you should change the law for the scheduled part 135 also. The statistics are available. It is just a matter of cranking them in to the selection system.

Mr. **Snyder**. Back to your list. On No. 5, I think we have A. & B. covered in this bill; is that right?

Mr. **Huber**. Yes; we are just saying that we concur with your suggestions.

Mr. **Snyder**. Seven and eight we have covered. We have 3 years instead of 4.

Mr. **Huber**. We would prefer as many years as possible in advance airport funding.

Mr. **Snyder**. So you are not in agreement with those who want a 3-year bill instead of a 5-year bill?

Mr. **Huber**. We are supporting the 5 years, but we would like as many years as possible.

Mr. **Snyder**. We have 10 and 11. I do have a question about 12 now. The original proposal that was floated around was for funding of public use private-owned airports, and we cut that down to relievers.

According to your testimony, some 2,500 would be in the overall category. I am afraid there will not be enough money to go to all of them.

Mr. **Huber**. I doubt whether those 2,500 airports would meet any minimum criteria set out by the FAA. But there are major public-use, privately owned airports that serve a community that are not necessarily relievers.

Mr. **Snyder**. We do not go as far as you do.

Do you think there is enough money to do all that?

Mr. Huber. Most private airports will not take advantage of ADAP, because it is not economically prudent for them to do so. But you have certain airports that will do it, and I think that is the intent here.

We are just saying, there may be instances where a general aviation airport that is privately owned fulfills a real need.

I hate to use California again, but Phoenix Field up in Sacramento is a good example. If that airport is lost, for whatever reasons, the public user is going to be—it will have a tremendous impact on the system.

What we are saying is not just limited to reliever airports but to expand the base to qualify privately owned general aviation airports serving a real public need.

Mr. Brough. The other important thing here, Congressman Snyder, is that we would like to see those airports meet the same requirements. That will leave a lot of them out, because it will be expensive.

Mr. Snyder. Eastern was in here and said that one of the reasons they dropped Lexington is because you increased landing fees.

Mr. Brough. We heard that that has been said here in Washington.

Mr. Snyder. Reinke said it to me.

Mr. Brough. I asked their vice president of the central region that question, and he said, absolutely not, that it had absolutely no bearing on their decision.

Mr. Snyder. My final inquiry also indicated it was not true.

Mr. Huber, you recommend on page 7 that we eliminate the primary hub and method of funding. What is the reason for that?

Mr. Huber. H.R. 6721 defines a primary hub and limits that to only 42 of the larger airports. Again, there are smaller hub classifications that operate reliever airports. A good example is Bowman Field.

So my recommendation is, you include all reliever airports of whatever nature, regardless of the size of the hub.

Mr. Snyder. But under our bill, the reliever airport would be entitled to funding under the general aviation section?

Mr. Huber. I am not too clear on the flow of funds for purely general aviation airports. It is difficult to read it.

I have to admit, I just got a copy of this bill this morning. You could be right, but that particular section I think needs to be clarified so we can understand it.

Mr. Snyder. Again, we think we have Bowman covered.

Mr. Huber. We want to be assured that you have Bowman covered.

Mr. Snyder. Thank you for your testimony, all of you. I appreciate your input. We will try to resolve the problems.

Mr. Huber. Thank you.

Mr. Anderson. Mr. Huber, just one thing. You made reference to the planning funds, the $45 million that was for airport systems and planning. I got the impression you did not like this because you felt that the systems planning would be competing for your industrial planning funds.

In our bill there is no limit on funds for planning under ADAP. All we did was say that not less than $45 million could be used—

but for this purpose, over 5 years, which is roughly $9 million a year.

It should not mean that they would be competing with your planning funds, because there is no limit on what you can get out of ADAP, if you want it.

Mr. HUBER. You are absolutely correct. I was just handed a note that reminded me the $45 million is for regional and State systems planning, and that the airport planning is in the part of the airport development program. I stand corrected on that.

Mr. SNYDER. I just want to make one observation for the record. In one of your original questions, Mr. Chairman, you asked about long-term contracts and the effect of defederalization, and Mr. Huber commented that Louisville was not in such bad shape.

At Cincinnati my recollection is that they have had to enter into long-term contracts with the airlines as a basis for being able to sell their improvement bonds at the time they did substantial improvements. It was the only way to have the bonds marketable.

Not having seen these contracts, you could not break those just because of some change in the apportionment system.

Mr. ANDERSON. Thank you very much for your testimony.

We have been reminded that we have not broken for lunch yet. We will break for a quick lunch and be back at 2 o'clock.

[Whereupon, at 1 o'clock, a luncheon recess was taken.]

AFTERNOON SESSION

Mr. ANDERSON. The meeting of the Subcommittee of Aviation will come to order.

Before I present the first witness, I would like to introduce one of my distinguished guests from Long Beach, Hon. Eunice Sato, city councilwoman from Long Beach.

Will you stand up and let us see you?

Our first witness this afternoon is Mr. Herman Barnard, councilman of College Park, Ga. We are very pleased to have Congressman Gingrich make the introduction.

We were talking about College Park in our discussion before he got here.

Mr. GINGRICH. I know, Mr. Chairman, we have gentlemen from College Park and from Inglewood. Both of these cities came up in our discussion with the problem of the noise impact.

It is a great honor to introduce a constituent of mine. A man who has worked hard for the city council of College Park for the last 19 years. He represents a district in a town which is directly abutting the second busiest airport in the world.

Mr. Barnard is also president of the National Organization to Insure a Sound-Controlled Environment. It is an environmental organization formed 11 years ago to combat excessive noise around our airports.

I am very pleased to present to the committee Mr. Herman Barnard.

TESTIMONY OF HERMAN BARNARD, PRESIDENT, NATIONAL ORGANIZATION TO INSURE A SOUND-CONTROLLED ENVIRONMENT, ACCOMPANIED BY LEE WEINSTEIN, MAYOR, INGLEWOOD, CALIF.

Mr. **Barnard**. I would like to introduce our vice president, Lee Weinstein, mayor of Inglewood, Calif.

Mr. **Anderson**. I was going to cut in and introduce Lee Weinstein, the mayor of Inglewood, who is also vice chairman of NOISE. He lets me know constantly about the noise problems.

The floor is yours. Your statement will be made a part of the record.

Mr. **Barnard**. Mr. Chairman, members of the committee, I am Herman Barnard, a councilman of the city of College Park, Ga. I am also president of the National Organization to Insure a Sound-Controlled Environment (NOISE). It is in that capacity that I appear before you today.

NOISE, as you may remember, is an organization of communities across the country whose citizens share a common problem, aircraft noise. This subcommittee knows full well that more than 6 million Americans suffer heavily from the direct effects of aviation noise. Your efforts in the past year, especially in this subcommittee, to reduce aircraft noise were outstanding and commendable. I thank you for them. If H.R. 2440 is not the best possible of all bills, it is far better than what might have been.

A key point in dealing with aircraft noise is that it is not just a comfort and convenience problem, not just a property value problem, not just an economic problem, not just a social problem, not just an education problem, not just an emotional and psychological problem, though it is all of these.

Excessive noise is a direct attack on health. Noise makes us sick and disrupts the proper functioning of our bodies. It is a fact that noise constricts blood vessels. This causes reduced function of muscles and organs, imposes severe strains on the heart, causes headaches, poor eyesight and of course, failing hearing.

For people with existing problems, noise makes strokes more probable and heart attacks more frequent. You don't even have to notice the noise. It has been shown that workers in noisy factories learn to tune out their conscious perception of noise. But even if they do, their bodies undergo all the physiological effects of noise. We don't have to notice; our bodies hear it even if we don't.

Our continuing concern with noise leads us to consider ways to abate its effects. The noise compatibility program is a strong step to do this. There needs to be a program by which airport operators and adjacent communities take effective measures to reduce the effect of noise.

Apart from amounts of money, there are a few characteristics of noise compatibility funding which I would like to discuss.

Local governments who are not airport operators should be able to participate. If a project is part of an airport's noise compatibility plan, it may often best be accomplished by a neighboring city within which the project lies. This is true because the city has better control over planning, land use, and condemnation powers, among other things. The purpose of the project may often best be served by the capabilities of a city government when the intention is not simply to raze land but to convert it to a compatible economic use. City experience in economic development will often be the best possible way to do the job.

The noise compatibility funding should be segregated. There is adequate money in the trust fund to support required safety and airways development projects. If there is a competition between safety and other purposes, rhetoric will flow and pictures will be painted that will negate your intention to recognize other needs. A set-aside for noise compatibility funding is very important.

A revolving fund arrangement for this type of project is the best solution. In your current language, any funds returned from a grant can be reused locally for other noise compatibility projects, but if they are returned they revert to the trust fund and lose their identity. We recommend that a revolving fund be set up within the trust fund to recycle the money for noise compatibility projects in other areas of the country.

NOISE supports the funding levels for noise compatibility planning and projects grants in H.R. 6721. We realize that need to balance the Federal budget will require hard decisions and perhaps even the need to reduce the recommended levels. I urge two things: that sufficient funding be retained to accomplish some substantial noise compatibility effort and that it not be merged into the general flow of ADAP funds.

I understand that defederalization is not at present an issue before this committee. You will be faced with it before the ADAP reauthorization process is completed in the Congress.

If an airport is defederalized, presumably, noise compatibility efforts from the trust fund would be too, for that airport. This being so, NOISE urges that you strongly resist any initiative to defederalize. There is more at stake in communities around airports than operator airline agreements. People are notably left out of the partnership.

There is a question, too, of the regulatory authority that may or may not be attached to ADAP funding. It has been suggested that if Federal funds don't flow, then Federal restrictions won't either. In regard to commercial aviation noise, I suggest that this whole area is essentially Interstate Commerce. States and localities are preempted from regulating it. Should any approach to defederalization be made, I urge you to make it very, very clear that environmental protection and such things as noise monitoring and regulation are universal Federal concerns and are applied to aviation whether Federal grants flow to any given location or not.

Thank you for the chance to appear here today and to testify. I commend the very sensitive approach to the aircraft noise problem which you continue to make.

I will be happy to answer any questions.

Mr. ANDERSON. Mr. Barnard, I believe that the noise bill which we passed last year satisfies one of the concerns raised in your testimony, in that the bill makes local governments eligible for funding to carry out noise compatibility programs.

Under the new noise law, the Secretary may make grants to units of local government in the area surrounding such airports if the Secretary determines such units have the capability to carry out programs for which grant applications are made.

Does this language satisfy your concern that units of local government be eligible for funding for noise abatement programs.

Mr. **Barnard**. Mr. Chairman, yes, it does. I have some question in the language, in that it appears to leave the Secretary with that responsibility, and maybe this is the best way.

However, in our own situation, we might or might not be eligible, just for the fact that the Secretary might say we are not capable of carrying it out. This could cause some problems.

But, yes sir, I basically agree.

Mr. **Anderson**. It would be up to you.

Mr. **Barnard**. The burden is on us.

Mr. **Anderson**. There has to be some mechanism. I take my own area of Inglewood. They will be eligible, but they will have to do the same thing—prove that they are responsible and able to do it. Otherwise the program would not be very successful.

Mr. **Barnard**. We support it, yes, sir.

Mr. **Anderson**. In your testimony, you indicate that States and localities are preempted from regulating aviation law. My understanding is that under existing law airport properietors are given substantial responsibilities for noise abatement.

To carry out these responsibilities, airport operators are allowed to impose nondiscriminatory restrictions on operations at the airport.

As a practical matter, there often are disagreements between the airport proprietors and the Federal Government as to whether a restriction is discriminatory, and whether a restriction would be an undue burden on interstate commerce.

Do you agree with my existing legal situation?

And second, do you think that there is a need for more Federal participation in this area? For example, should we require the Federal Government to impose any necessary restrictions on airport use to relieve the noise problems?

Should we require the Federal Government to approve any noise-related restrictions imposed by the airport operators?

Those are a series of questions. If you want me to go back, I will.

Mr. **Barnard**. Let me answer them generally, and as a city official of the city of College Park. My feeling might be somewhat different than what it might be for all of the cities involved in our organization.

We prefer that the Federal Government not tell us what to do. But in this case, we do not have anything to do with it. We are at the mercy of the operator, the operator in this case being the city of Atlanta. We do not really have any say. It could well be the Federal Government is the best alternative.

I do not know whether that answers the question. We think local communities ought to have more say. The State of Georgia does not have any say in the second busiest airport in the world.

Maybe through the Federal Government is the only way to have some say.

Mr. **Snyder**. Well, you have your own President of the United States.

Mr. **Barnard**. I better not comment on that.

Mr. **Anderson**. Mayor Weinstein, would you like to comment on this?

Mr. **Weinstein**. Yes. Thank you, Mr. Chairman.

With regard to your question about being capable of carrying out plans, the city of Inglewood is, ready, willing and able, with one exception. We have the technical capability, and we know what needs to be done. All we need are the funds.

Therefore, we are here to please. We understand that you are including as a possibility some $150 million in this for use outside of the airport area. The city of Inglewood lies in the path of the Los Angeles International Airport.

An area of Inglewood is so severely impacted by the noise that it has become unliveable, and therefore, we are prepared to convert that land to more compatible use.

We know what needs to be done. We are able to do it. We have the capability. We have the expertise. What we need are funds.

We sincerely hope that you are able to put into your bill at least the $150 million that I understand you have proposed, because by the time you dispose of those funds to Councilman Barnard's city and many other cities there is not going to be too much available.

We have some plans, and we are ready to move, anytime you give us the funds.

Mr. **Anderson**. I might have you develop that a little more so we know what we are talking about in funds, and how they could be used. It is my understanding you have a small section of Inglewood that—I do not want to imply that it is small——

Mr. **Weinstein**. 3,500 people live within that section.

Mr. **Anderson**. You are going to acquire all of that property, if you have the funds, move the people off, relocate them, pay the relocation costs where you have to and rezone it for light industry——

Mr. **Weinstein**. We have already planned that.

Mr. **Anderson**. And you feel that the cost, the difference between what you are going to get and the cost to move it, is very large.

Mr. **Weinstein**. There is a gap of $20 to $30 million.

Mr. **Anderson**. So here is one small section of Inglewood which is only part of your noise problem. I have been in many parts of Inglewood that have just as bad a noise problem.

So you can take out one small section of a city, with $20 to $30 million. There are many airports. Obviously, $20 to $30 million, when you multiply it around the country, $150 million will not go too far.

But some people say it is too much.

Mr. **Weinstein**. We appreciate your understanding of the problem, Mr. Chairman.

Mr. **Anderson**. Does your organization feel that Federal and local programs to reduce aviation noise have had any impact to date? Is the current situation better or worse than the situation a few years ago?

Mr. **Barnard**. I think we have to say it is better. There certainly have been steps applied in our own case, and I am sure other areas, that have reduced the noise problem.

We just feel that there is more that still can be done.

But, yes, sir, a lot has been done.

Mr. Anderson. Given the fact that much of the airport noise problem can be attributed to poor planning in the past, are you satisfied with the planning program established by the recently enacted Noise Abatement Act?

Mr. Barnard. Yes, sir, we are. I can speak for our city. It does not really affect our city. Our city is an old city that was there before the airport was.

When our city was developed, the airport was a racetrack. So the airport is built around the city. Our city is completely developed. So planning is too late. That should have been 40 years ago, before the airport started.

But in some areas, that will work real fine. It will not in my area.

Mr. Anderson. Mr. Weinstein, if you want to comment, break right in.

Have EPA and FAA furnished any technical assistance to your members in noise-abatement planning? If so, have their efforts been helpful? Do you have any changes to suggest?

Mr. Barnard. Yes, sir. I do not want to be critical too much, maybe, and I will be careful what I say.

Our organization, since its inception 11 years ago, one of our goals was to see if we could convince Congress to give EPA more policing powers.

However, that has not come to pass yet.

We feel that FAA is basically concerned—and maybe that should be their primary concern—with air safety. For that reason we do not get too much cooperation out of FAA people on the local level, or anywhere.

So EPA then, in turn, says: "Congress does not give us any authority and policing powers." They seem to be concerned, but do not help us apply any pressure. They are concerned, but no results.

FAA seems to be just primarily concerned with safety. By the way, we are not saying we are not concerned with safety. We are.

Mr. Weinstein. I might add to that. Both Councilman Barnard and myself are members of the National League of Cities' local consultation committee that was formed for the purpose of assisting the EPA in drafting the 5-year plan for noise abatement as mandated by Congress under the Quiet Communities Act.

We have held several meetings among ourselves, and with representatives of the EPA.

I confirm what Mr. Barnard has just stated, that our committee, which expanded from 6 to 16 members, are pretty universally agreed with what he said. We would like to see the EPA exert more influence, rather than FAA, on the problems that we are discussing.

Mr. Anderson. Do you feel the FAA should put more emphasis on safety items, and EPA on the noise-related items?

Mr. Weinstein. Yes.

Mr. Anderson. How do you coordinate the activities of the two agencies?

Mr. Weinstein. I think that given the capability, given the funds, EPA would work that problem out.

Mr. Anderson. Mr. Gingrich.

Mr. Gingrich. Let me start, if I may, by going back to a couple of your comments. You mentioned in your colloquy with the chairman the issue of planning. You pointed out that your city, College Park, preceded the Atlanta airport.

Looking down the road toward planning, as a relatively small town in terms of the Atlanta metro area, we have been examining the whole area of planning commissions, such as the Atlanta Regional Commission.

Do you feel that there is adequate input from towns your size at that planning commission level?

Mr. Barnard. Congressman Gingrich, if so, we do not know about it in College Park. We are not aware of much concern from the Atlanta Regional Commission as to planning.

Of the traffic, there has been some input and some concern about the traffic problems. But outside of that, no question about noise.

Mr. Gingrich. Do you have any sense of how they would rank the values of noise versus ease of access?

Mr. Barnard. I would say there is a wide gap. Noise must be way down at the bottom, as low as you can get.

Mr. Gingrich. Would you care to make any comments, Mr. Weinstein?

Mr. Weinstein. As to rating the noise, I could observe that the EPA draft of that 5-year plan, which will someday come before you, I presume, states that aviation noise is the No. 2 problem in the country, but they have not been able to devote their resources to attack it.

Mr. Anderson. I do not suppose there is any law on this, but I think the importance of priorities are sometimes in relationship to the number of votes in that area.

I have the L.A. airport which is not in my legislative district, but the places the planes fly are over cities or areas that are not in Los Angeles.

As a result, the city of Los Angeles is not particularly excited about this noise over those people. In my area, I have the Long Beach Airport, which is all in the city of Long Beach, and therefore, I notice the priority is right at the top. If you have people living in your community that are directly affected, the priority is very high.

Mr. Gingrich. My airport, the Atlanta Airport, is in exactly the same relationship in that the political area, the city of Atlanta, has relatively little noise impact on it.

We had a witness talking about the importance of the regional commissions, and I was curious as to whether any of the witnesses could comment on whether the regional commission had made any concerns on their problems.

Mr. Weinstein. Just 2 weeks ago the city of Inglewood hosted the annual general assembly of Southern California Association of Governments, and the major topic, the theme, was the air travel dilemma, presenting plans and ideas for dispersing some of the traffic from LAX into other airports throughout the region.

So if you are speaking regionally, our regional authorities and planners are very much concerned with it.

Mr. Gingrich. Second, you mentioned in your colloquy with the chairman that you do not get much cooperation from the FAA locally, and that there was a gap between EPA's concern and FAA's concern.

Could you expand on that briefly?

Mr. **Barnard**. Yes, sir, Congressman Gingrich. The usual answer or rebuttal is, if we are talking with EPA as it relates to noise pollution, they will usually say something to the effect that they do not have the authority to control aircraft noise as they do other pollution problems, air, water, et cetera, because simply the Congress leaves that in the hands of the FAA.

They would be happy to be involved in it if the law allowed them to, but because the law says that FAA has full control of the operation of the airports, they just have to back off.

Then you talk with the FAA people, and their rhetoric is almost always, we have to be concerned about safety. You would not want us to impose any restrictions or techniques or features that would cause that plan to crash. They give you the runaround, that safety is the only concern they have.

I personally feel that this is the only concern FAA has, safety.

Mr. **Gingrich**. Does that give you concern about the FAA implementing the noise fund?

Mr. **Barnard**. Some concern. You know in our area, some funds have been released for study in that area. I think the reason they will go ahead and do this is just to try to at least make us think that they want to be cooperative, maybe. I do not think they really care that much, simply because, Congressman, there is no pressure that you can put on them from the local standpoint.

They do not have to respond, really.

Mr. **Gingrich**. You talk about the notion that local governments who do not operate airports should be able to participate.

Have you thought through any sort of structure that might be appropriate to involve the governments that are not operators in a noise-compatibility plan?

Mr. **Barnard**. I have a solution to the problem. If the States—and we suggested this on the local level—if the State of Georgia would pass a bill setting up an authority and taking it away from the city of Atlanta, then we would have input, and I do not believe we would have the same problems.

This works in some areas, the Twin Cities of Minnesota, Boston.

Mr. **Gingrich**. How do you think the Atlanta Airport would behave differently?

Mr. **Barnard**. They do not have to behave now. They can ignore any request we might have as far as noise compatibility is concerned. But if there was an authority, then College Park at least would have a member serving on that authority. It possibly might be me. They, I think they would behave somewhat differently, because we could apply pressure. We do not have any pressure to apply now. They have no reason to listen to us except if they want to be good neighbors, and I question that, sometimes.

Mr. **Weinstein**. I would like to go back and respond to one of your earlier questions about the FAA. I can give you a specific example in Inglewood and the Los Angeles International Airport.

We have been able to obtain some relief during the sleeping hours in Inglewood through the cooperation of the Los Angeles Airport in requiring aircraft to land over the ocean, downwind, during the sleeping hours. This has given some relief to our citizens.

However, the FAA has been trying to formulate a single standard for the entire country which would lower the knots, the miles, the wind condition, to such a low level that it would wipe out some 40–50 percent of the gains we have made while at the same time acknowledging that the conditions and instrumentation at Los Angeles International Airport are not as unsafe as they are in some other areas.

The Western Regional Director of FAA has repeatedly refused to sign off as unsafe that practice. Still we have had the problem of fighting back the FAA.

I would like to make one other statement, if I may. Those of us who are on the firing line, the elected officials locally, like Councilman Bernard and myself, who are readily accessible to the citizens who are affected by aircraft noise, know that there is nothing like the irritability that comes to people who are suffering from noise.

When people become annoyed by noise, and become irritable, nothing that the Government does is right, because the level of irritability has reached a point that they do not like anything that we do or you do.

Mr. GINGRICH. I thank you, and I thank you both for coming today.

Mr. ANDERSON. Under the legislation we passed last time, we said any airport operator who has submitted a noise exposure map and related information—after consultation with officials of any public agency and planning agency in the area surrounding such airport, Federal officials having such responsibility at such an airport, and any carriers using that airport may submit a noise compatibility program.

We feel that we pretty well brought local communities in. There has to be consultation at least for them to submit a plan.

Mr. WEINSTEIN. I would agree.

Mr. BARNARD. I might say, one of the problems there, Congressman Anderson, the consultation, that is good. We appreciate the fact that maybe Atlanta will at least talk with us about it.

However, whether that gives us any real strength, I question. Talking with me about a problem, and then not doing anything about it, does not necessarily give you any relief. That is better than not talking; yes, sir.

Mr. ANDERSON. Ms. Ferraro?

Ms. FERRARO. Mr. Barnard, I was reading Mr. Lindhal's statement before this committee when we were taking the noise bill, H.R. 2440. You indicated that it is not the best possible bill, but it is better than the worst. I agree with you. I would like to have seen no bill at all. My feeling on H.R. 2440 was that it was going to create more problems and more noise for my constituents, and we do go back to our areas and get the irritability.

I happen to live between La Guardia and Kennedy Airports in New York.

Do you think that H.R. 2440 is going to add to the noise situation around your particular areas?

Mr. BARNARD. I do not think it will in mine.

Mr. WEINSTEIN. Yes, it will in our area.

Mr. **Anderson**. Provided we get some more money in the bill.

Mr. **Weinstein**. You mean if we get more money? What I have to say is that the extension that was given in H.R. 2440 to certain aircraft, I have been told by our noise consultant, who analyzed the bill, will affect some 40–50 percent of the traffic in Los Angeles International Airport. That will increase—let's put it this way, it will not increase the noise, but it will not help in reducing it.

Ms. **Ferraro**. How do you think that the funding that is provided for in this bill will offset the increases that are being made by H.R. 2440?

Mr. **Weinstein**. If I understand your reference to the funds, if you are talking about the $150 million?

Ms. **Ferraro**. Yes.

Mr. **Weinstein**. They will help us only to the extent that we will be unable to carry out our plans to convert the heavily impacted area to a more compatible land-use with the airport.

But it will not solve it. As the chairman has pointed out, particularly, the whole city of Inglewood is affected by the noise. Correcting the problem in that one impacted area still will not relieve the problem around the rest of the city.

Mr. **Anderson**. You might tell me what has happened in the area, that was once a very nice residential district. I guess now it has the highest crime rate.

Mr. **Weinstein**. I will be very happy to tell you about that.

Mr. **Anderson**. It is hard to say how much is a result of the airport noise.

Mr. **Weinstein**. Even if you drive through it now, visually from the outside, you will say, this is a good looking neighborhood, because there are some fine high-density buildings. As a matter of fact, it was a favored place for stewardesses and pilots to live in.

But due to the noise impact, that has changed, and people no longer—the ordinary kind of resident that we like no longer wishes to live in that area.

As a result, elements have moved in that area that developed it into the highest crime area in the city.

For example, we used to send one police car out to respond to calls on crime. Then we found that we had to send a second police car to protect the first police car.

Recently, we took a tour. We took some officials from the EPA on a tour of that area. We had a police motorcycle escort because we do not go into that area unescorted. One of them peeled off immediately because right behind us there was an armed robbery.

That is the kind of situation we have.

Ms. **Ferraro**. I just wanted to ask you, Mr. Barnard, within your testimony you made a lot of references to medical effects, health effects.

What is the source of your information?

Mr. **Barnard**. I apologize for not being in any position to back up all of this.

Ms. **Ferraro**. I intend to use this testimony some day.

Mr. **Barnard**. We could make it available to you.

Mr. **Anderson**. There was a study made in Los Angeles at the university that I think was good. If you could get that and supply it for the record.

Ms. **Ferraro**. Thank you, Mr. Chairman.

Mr. **Anderson**. Mr. Snyder?

Mr. **Snyder**. Mr. Barnard, you indicated that College Park did not have much input in regard to the activities that hurt you, except that here, lately, you have had some input on traffic.

I did not know whether you meant ground traffic or air traffic.

Mr. **Barnard**. Ground traffic is what I was referring to. As Congressman Gingrich asked, does the Atlanta Commission, the ARC, get involved in any activities around the Atlanta Airport?

I was stating, they do not get involved, to my knowledge, about any of the air traffic. But the ground traffic is beginning to be a problem. They are looking into that.

Mr. **Snyder**. Has the city of College Park attempted to take a position, or pass a resolution, or anything of that nature, in regard to the proposed fourth parallel runway at Atlanta International?

Mr. **Barnard**. Yes, sir; we are in the process of passing such a resolution, as it relates to the fourth runway—I am really not in a position to say how the council will react. We have three new members of the council that have just come aboard.

Mr. **Snyder**. I would like to know the outcome, because if you do not oppose the fourth parallel runway—apparently, it is being used to justify the additional terminal facilities, and it will apparently increase the traffic 25 percent. Then I do not think you ought to be here.

Mr. **Barnard**. I can speak for myself, but not for the other members. I suppose they will oppose the fourth runway. I feel sure we will.

Mr. **Snyder**. I have been interested in your testimony about the apparent difference between the EPA approach and the FAA approach on noise.

I guess it was last fall, Mr. Chairman, when we had testimony on the overall noise bill, which EPA was involved in, not H.R. 2440 but the authority for EPA to focus on noise. The testimony indicated that EPA has assigned the equivalent of two and a half people to deal with aircraft noise, and I believe the testimony was that FAA has over 100 people in their establishment working on the problem of noise.

You are not getting any response out of this?

Mr. **Barnard**. Well, response, I guess, would be like some of my constituents might say, we give lip service, we politicians sometimes, but no results.

Mr. **Snyder**. Speak for yourself.

Mr. **Barnard**. We get response; we are not getting results.

Mr. **Snyder**. Your observation was probably accurate, that FAA is probably more concerned with safety than noise. But that is their charge under their charter. That is to be their prime concern.

As Mr. Weinstein indicated, they are now at night making the airplanes approach and depart over what the pilots refer to as the black hole.

Quite frankly, I can understand Mr. Weinstein's concern of the people in Inglewood with airplanes departing and approaching over their homes. I can also understand the concern of those people who have to be on the planes, both pilots, and passengers, and other employees, that are confronted with landing into the black hole, downwind, with the knowledge that there are going to be departing planes coming at them out of the black hole.

This is something that concerns some of us.

Mr. **Weinstein**. Mr. Snyder, I would respond that we have had the program of over-the-ocean approaches since 1972 without any serious incidents. I think that is a pretty good safety record.

Mr. **Snyder**. Hope we can keep it.

Mr. **Weinstein**. We intend to.

Mr. **Snyder**. I assume you fellows know the problems we have with the Office of Management and Budget, and not only the problems we have had, but there is reason to believe that we probably will have more concerns expressed by OMB in the days ahead than we have had in the past.

They have had a tight rein on our trust fund money, even though that money is pledged, as a previous witness has indicated, to specific purposes in connection with aviation.

It also does affect the deficit in the unified budget, which Mr. Johnson gave to us sometime in the late sixties.

I have to assume that if we are going to be cut down on what we can spend money for, you fellows would rather it be from equipment rather than noise programs?

Mr. **Barnard**. That would be my feeling; yes.

Mr. **Anderson** What he is saying is that facilities and equipment is a safety item. You are not getting at the safety items, really, are you?

Mr. **Barnard**. We are not suggesting any cuts. We are hoping that OMB will not cut anything.

Mr. **Snyder**. In these programs, I would agree with you. But I do not think that is the name of the game. I think the only game is balance the budget. I may be wrong, but in responding to the political temperament of the country, that is what we are going to look at.

I hope that if we have to make sacrifices, that we make it from noise rather than from F. & E.

Mr. **Weinstein**. May I respond about the number of employees in FAA relative to those in EPA dealing with noise?

I would like to respond to that. There is a matter of quality as well as quantity. In my city, I have been trying to sell the idea of some mounted police, getting them mounted on horses, just a few of them. This has become a very important thing in the country. Now we have statistics that indicate that one man on a horse, a policeman on a horse, is worth 20 on the ground.

So I think that the figures of 100 FAA people doing their thing, and the way they do it, versus 2½ in EPA, can possibly be judged in that light.

Mr. **Snyder**. I do not know the analogy between those two examples that you gave.

I would have to say to you, I would sure hate to be a policeman on a horse in the neighborhood you described to us earlier.

Mr. **Anderson**. Thank you very much, Mr. Barnard and Mr. Weinstein. We appreciate your testimony.

Our next witness will be the Professional Airways Systems Specialists, more commonly known as PASS, represented by Mark Schneider, executive vice president.

Your statement will be presented for the record in its entirety. [The following was received for the record:]

STATEMENT OF HOWARD E. JOHANNSSEN, PRESIDENT, PROFESSIONAL AIRWAYS SYSTEMS SPECIALISTS

Mr. Chairman and members of the subcommittee, the Professional Airways Systems Specialists greatly appreciates this opportunity to present our views on the reauthorization of the Airport Development and Aid Program.

Because our profession will maintain and certify the sophisticated systems and equipment introduced through ADAP, we have a special interest in ensuring that this Subcommittee is fully cognizant of all the ramifications of the Federal Aviation Administration's proposals. To further your grasp of the situation in the future, we are convinced that the Congressional scrutiny of ADAP must occur more frequently than every five years. Because billions of dollars are involved, because the technology is rapidly changing, and because of the importance of aviation to this nation's economy, we do not believe the Congress has allowed itself the requisite frequency of full examinations of the program, nor enough accountability of the FAA to Congress and the public. For example, the FAA plans that instead of selling its present equipment after modernization is completed, the replaced systems will be "smashed up". This action is generated from a fear that it will be installed in an airport which the FAA may someday come to operate. The situation would then run afoul of the Agency's standardization policy as there would be different generations of the same system to maintain. Thus, rather than recovering a part of the funds which purchased this obsolete equipment and simultaneously improving the system for general aviation airports, the FAA is destroying it in favor of management concepts. It is this type of situation which a more frequent ADAP authorization process could investigate. Both Congressman Harkin of Iowa and Congressman Goldwater of California have suggested one year ADAP authorization. Recognizing the Subcommittee's considerable legislative tasks and schedule, we believe a two year authorization of ADAP would be more appropriate. We urge this Subcommittee to consider that step in order to more closely monitor the progress of this large, expensive, and highly technical program.

Turning to the substance of the Program, the FAA has painted a rosy picture of aviation's future; more systems and equipment, of an even greater technical subtlety, and of even greater dependability. And if the systems or equipment do fail, which is highly unlikely in the FAA's estimation, there is another system which will report this failure. In sum, an aviation system endowed with safety, efficiency and economy.

Unfortunately, having glimpsed a part of this future in the real world of centers and towers, navaids and landing systems, we are not quite as confident. For example, in response to questioning from this Subcommittee in December of 1979, Administrator Bond produced a chart which he stated depicted the solid state equipment maintenance projection. After an early break-in period which required more frequent maintenance, solid state equipment would need almost no maintenance for its entire life and that this was true of the new systems that FAA was acquiring. I would like to point out that the computers in the Air Traffic Control Centers, which have been the subject of numerous Congressional hearings, are solid state, are past that early period of "infant mortality", have failed in the past, and continue to fail with frequency. So much for the invinsible dependability of future systems and equipment.

"So what," may counter Mr. Bond. "With the Remote Maintenance Monitoring System, we will have continuous monitoring of system operations and we will be aware of failure immediately." But what Mr. Bond cannot say is if system specialist will be available to perform the corrective maintenance immediately, and that is a major problem.

PASS has, in previous testimony before this Subcommittee, described the FAA's phase-out of preventive maintenance and its ushering in of belated, corrective maintenance and warned of the consequences of this program. It is with great concern that we point out that a great part of the ADAP program will be directed to new, technically sophisticated systems that will be dependent on the Remote Maintenance Monitoring System. FAA's plans call for all remote communications facilities and VOR's to be monitored in this fashion by 1984. All other facilities are scheduled to be remotely monitored by 1986. But all this system can do is identify that a problem exists. It cannot correct the problem nor restore the system to operation. It cannot even pinpoint the source of the problem.

Yet, because FAA hopes, and based on our experience it remains mere hope, that the newer system will be more dependable, the Agency will reduce specialist staffing and rely on RMMS to identify problems post facto. As a result, specialists will be relocated and reassigned, drastically increasing "down time." Specialists will have to travel greater distances, increasing travel cost and fuel use. While the number, variety and complexity of the equipment increases, the competence of the specialist will decrease. In sum, a weakened profession, ill-equipped to cope with future requirements.

The Agency is so bedazzled by its own propaganda that it cannot conceive that this could be a problem. In Mr. Bond's prepared testimony before this Subcommittee in December, he put forth a number of questions dealing with the introduction of the new technology which the FAA must resolve. These problems ranged from the controllers' role in an increased automation system to the acceptable level of machine error. Yet, it was obvious that the FAA would not address, let alone solve, the role and necessity of a strong specialist workforce in a predominantly automated system. The FAA's increasing indifference to specialist skills is reflected in its inattention to training. The foundation of all professional skills, in any profession, is training. In the near future the system specialist will be required to have proficiency and expertise in more than one discipline, supposedly as a result of thorough and intensive instruction. Yet, at a recent meeting of over 200 instructors at the FAA Academy, it was discovered that approximately two-thirds did not hold certification credentials on the system on which they are instructing.

Contrary to Mr. Bond's accusations, system specialists favor the introductions of new technology in the system and are ready to face challenges. As professionals, safety and efficiency are our goals, the basis of our careers. But the future of aviation safety and efficiency must be based on realities, not questionable possibilities.

The new generation aviation system proposed by the FAA, and substantially funded by ADAP, relies upon machines which, academically, have an infinite failure-free lifetime. What we and other participants in the real aviation world know is that machines to break down. The hypothetical world is not necessarily the fact-of-life world we must deal with.

We have seen that the FAA's estimates have not held up in the past. Therefore, the increasing dependence on theoretical projections is a mistake. This will result in an undertrained and over diversified specialist workforce and an aviation system unprepared for the predicament.

We strongly urge this Subcommittee to carefully consider the consequences to the safety of this nation's aviation system of allowing our maintenance capability to deteriorate in the face of a nearly automated system.

In closing, we request that this Subcommittee, having gained valuable insight and expertise on the subject of aviation's needs, utilize this knowledge by testifying before the House Appropriations Subcommittee on Transportation next month concerning the FAA's fiscal year 1981 budgetary requests. We believe this sharing of knowledge to be beneficial to the FAA, Congress, and, most importantly, the flying public.

Thank you for allowing PASS to testify on this important subject.

TESTIMONY OF MARK SCHNEIDER, EXECUTIVE VICE PRESIDENT, PROFESSIONAL AIRWAYS SYSTEMS SPECIALISTS

Mr. SCHNEIDER. Instead of reading our formal statement, we will ask that you view an edited videotape that substantiates our testimony.

These investigations were conducted by investigative reporting teams of WISN in Milwaukee, Wis., and KWTV concerning the aviation system, and training.

In their entirety, the shows run 1 hour, necessitating the edited version. We will be happy to show the entire programs to any member of the subcommittee or staff.

I would like to point out, no unions had any control over what these investigations found, or what was finally aired to the viewing public.

With your permission, we would like to show you the videotape.

[A videotape presentation was made.]

Mr. SCHNEIDER. We would like to answer any questions you may have.

Mr. Snyder. I have a 3:30 appointment, and cannot come back. But I would like to ask one question, and ask unanimous consent to submit other questions.

Mr. Anderson. Without objection, so ordered.

[The following was received for the record:]

PASS
Professional Airways Systems Specialists
Suite 820/444 N. Capitol Street
Washington, D.C. 20001/(202) 347-6065

President
[illegible]
Executive Vice President
[illegible]

April 1, 1980

The Honorable Gene Snyder
United States House of Representatives
2330 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Snyder:

This letter is to serve as our response to the six questions submitted by you for the record at the ADAP hearings on March 18, 1980. If you have further questions, please do not hesitate to let us know.

1. In your testimony you advocate a two-year ADAP authorization. When you refer to ADAP, do you mean airport development only, or all of the programs which are funded out of the Trust Fund? If the airport development program was only funded for two years, don't you think this would have an adverse effect on the ability of airport operators and localities to adequately plan for their project because they would not be assured of a reliable and continuous source of revenue?

In our testimony we advocated a two-year ADAP authorization for the entire funding. We did not mean airport development only, but were referring to all programs which were funded out of the Trust Fund. This was in view of the many legislative responsibilities of the Public Works and Transportation Committee, and specifically the Aviation Subcommittee. We concur that this would have an adverse effect on the ability of airport operations and localities to adequately plan for their projects. We therefore modify our request in the testimony to specifically two portions only, the funding of the FAA's operations and maintenance portion and the funding of FAA facility and equipment projects. This is in the hope that there will be no more funding of $200,000 art exhibits at major airports out of ADAP funds.

2. Although you point out that the Remote Maintenance Monitoring System can only identify a problem, rather than correct it, won't this system increase safety while saving the taxpayer money by identifying a problem without the need of a specialist?

Isn't much of a specialist's time spent in finding out the nature of the problem before he can actually fix it?

The Remote Maintenance Monitoring System, in our professional opinion, will not increase safety. Any potential savings of taxpayer money we feel will be negated by increased equipment down-time and aircraft delays, which RMMS will lead to.

If current staffing levels and displacement of personnel were to remain as they are, the Remote Maintenance Monitoring System could aid a specialist in the performance of his duty (namely to certify the safe operation of the National Air Space equipment), but current plans of the FAA call for massive reorganization and relocation of specialists. Their plans go so far as to include a feasibility study of flying the specialist to equipment that is out of service, via helicopter, as this will be faster than ground transportation. This only indicates to us that the nearest specialist in many cases will be located hundreds of miles from equipment that will be remotely monitored.

Our specialists currently are able to identify problems during routine maintenance and correct them without an adverse effect on the aviation system. The Remote Maintenance Monitoring System will quite simply monitor parameters of equipment. This will include such things as output power, transmitting frequency, modulation and Voltage Standing Wave Ratios in communications equipment. This will not indicate to the specialist what is causing the problem. In any of these given parameters, it will indicate that there is a problem. The trouble shooting time will not be decreased to any appreciable extent by this system.

3. In your testimony you state that the FAA does not staff Airway Facilities offices with enough certified systems specialists to meet the demands of the overall safety of the system.

How do current staffing levels compare to those of a few years ago?

Has the reliability of the equipment improved over the years to counter-act the staffing reductions?

Staffing levels must be addressed in two ways. The FAA uses a body count for the staffing levels authorized by Congress. We would recommend a proficiency count instead. If Congress authorizes to the FAA 11,000 specialists in the budget, the FAA will count 11,000 bodies to achieve this. No consideration will be given to whether these specialists are new hirees or fully certified journeymen. It is our belief that Congress has authorized the FAA 11,000 journeymen to monitor the over 18,000 facilities and systems that comprise the National Air Space System not, for example, 6,000 journeymen and 5,000 sub-journeymen and trainees.

The actual staffing levels established by the Congress have actually decreased by a few hundred over the past few years. At the same time our proficiency level has also decreased due to the introduction of new systems and normal attrition. We do not feel the reliability of the equipment has improved over the years to counter-act these reductions. We feel the reporting system has been modified over the past few years to indicate a false reliability for the equipment.

We are faced with a further problem in the immediate future. Of our current compliment of approximately 9,600 specialists, the FAA's own figures indicate that almost one-third will be eligible to retire in the next five years. If we do not start training their replacements in FY 1981, they will not have the proficiency to replace the expertise we will lose with the retirees. This will have a drastic impact upon system performance in 1985 and beyond. We must look to the future and show responsible planning to avoid this.

4. Does the FAA provide minimum staffing at 24-hour facilities that is adequate for immediate response to problems or equipment?

We do not feel that minimum staffing is adequate for immediate response to problems or equipment failures. We have received too many incidents of the FAA having unqualified personnel man shifts by themselves, or only one journeyman on duty by himself at those 24-hour facilities. Besides this constituting a safety hazard with the high voltage equipment that we work on, this also means that the specialist can only be working on one failure at a time. If more than one failure exists, the specailist is forced to assign priorities as to what must be restored first. Equipment failures also prevent the specialist from doing required routine maintenance. An equipment failure of any type must take priority over routine maintenance.

We have further been notified by field reports that a number of facilities that previously had 24-hour coverage are now being reduced to 16-hour coverage. Equipment failures that occur during the unprotected period will be restored in one of two ways: (1) If it is not that vital to the Air Space System, the restoration will be delayed until a specialist is on duty. (2) If it is a vital part of the Air Space System, callback overtime will be utilized. This will necessitate locating a specialist that is qualified to repair and certify the system that has failed. This will inject approximately a one to three hour delay before the equipment will even be touched. This is due to the fact that the specialist will have to drive to the equipment or pick up necessary tools and parts before ever going to the equipment site. The FAA's logic is with 16-hour coverage fewer bodies are required and less night differential is paid, resulting in cost savings.

Once again, the economy wins over safety. This Subcommittee should consider asking the FAA exactly what price they put on the life of the user of the Air Space System.

5. How does the increasingly varied equipments incorporating new technologies in the "state of the art" change or influence the FAA's ability to maintain and certify the system?

The increasingly varied equipments and new technologies are reducing our ability to maintain and certify the system. This is caused not by the specialists' inability to adapt, but more so due to training and logistics. In efforts to again reduce expenditures, the FAA has reduced training. They have also instituted a rotational program for instructors, as indicated on the video-tape. In our testimony, we indicated that a large percentage of instructors are not trained in the systems they teach. This was verified on the video-tape at the instructors meeting that was filmed. This lack of familiarity with the equipment has an adverse effect on the capability on the individual that is receiving the training.

There has also been numerous logistical problems with new equipment. The lack of adequate manuals, the availability of spare parts, and modifications to the equipment that must be performed on site by the specialist, again taking away from his ability to perform routine maintenance, are the three most serious logistical problems that we face.

6. In your testimony you state that the FAA does not provide employee training necessary to adequately keep up with the continuing increased responsibilities of Airway Facilities employees. Would you name some specific training deficiencies which you believe are particularly serious?

In the video-tape there is reference to Department of Transportation/Federal Aviation Administration Report 77-33. The deficiencies in training are quite explicit in this report. We have requested a copy of this report from the Acting Director, Airways Facilities Service. As of this date, it has not been received.

The most critical area that we are aware of is in the computer training. Courses have been reduced in an effort to again save money and the proficiency of the instructors has decreased. With the introduction of more computerized systems, such as ARTS-11, ARTS-111 and ARTS-111A at the terminal areas, the terminal areas will probably feel the effect the hardest.

The en route centers are losing people rapidly to private industry due to better pay and benefits for an individual with their knowledge and expertise in computers. Their replacements are not able to get training due to Academy cut-backs.

We will also be going to a new generation of en route computers in the next decade, according to the FAA. We feel the FAA is not moving rapidly enough in this area and we do not see any provisions being considered for people to receive adequate training in the numbers required on this new system. Before a person can attend training at the Academy, or even in his facility, someone must be available to assume his workload responsibilities and that individual must also be competent on the existing systems.

I hope this answrs your questions sufficiently. We are currently compiling data on your question concerning near misses or

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incidents due to equipment failure and specifically when the primary system is out of service.

If you have any more questions, please do not hesitate to contact our organization.

Sincerely,

Mark E. Schneider

Mark E. Schneider
Executive Vice President

MES:ab

READEX FICHE

PASS
Professional Airways Systems Specialists
Suite 020/444 N. Capitol Street
Washington, D.C. 20001/(202) 347-6065

President
Howard E. Johannssen
Executive Vice President
Mark E. [illegible]

April 11, 1980

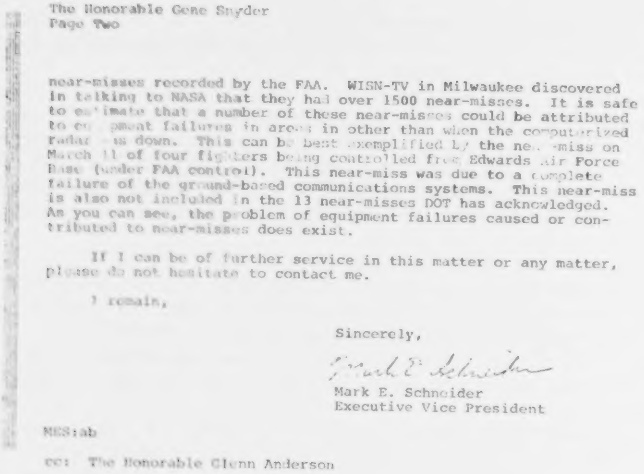
The Honorable Gene Snyder
United States House of Representatives
2330 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Snyder:

In our testimony before the Aviation Subcommittee on March 25 one of the questions that you asked dealt with the number of near misses or incidents that occurred when the primary system was down. This question has been answered by Neil Goldschmidt, Secretary of Transportation, to the Honorable Robert Whittaker on February 5, 1980, and I quote:

> Q: Have there been any near misses, collisions or other incidents which have occurred during the past five years while a backup system was in operation?
>
> A: Our present method of data collection does not provide correlation between near misses, collisions, and other incidents unless both aircraft were operating under instrument flight rules. That data base does not differentiate whether the controller was operating with the backup system (broadband) exclusively or in a transition from/to the backup system. The material to research the aforementioned data is normally retained for 2 to 2½ years.
>
> Our files currently contain 3 years of individual system error reports, and a manual analysis of each of those reports for the years 1977 through November 15, 1979, showed 26 systems errors occurred while operating on or transitioning to/from the broadband system.
>
> Of that total, (a) 13 occurred while in the broadband mode, (b) 7 occurred while transitioning from the narrowband to the broadband mode, and (c) 6 occurred while transitioning from the broadband to the narrowband mode.

I question the validity of Secretary Goldschmidt's response based upon information presented to you in our video-tape presentation. Those 13 near-misses would have been part of the 300 plus



The Honorable Gene Snyder
Page Two

near-misses recorded by the FAA. WISN-TV in Milwaukee discovered in talking to NASA that they had over 1500 near-misses. It is safe to estimate that a number of these near-misses could be attributed to equipment failures in areas in other than when the computerized radar is down. This can be best exemplified by the near-miss on March 11 of four fighters being controlled from Edwards Air Force Base (under FAA control). This near-miss was due to a complete failure of the ground-based communications systems. This near-miss is also not included in the 13 near-misses DOT has acknowledged. As you can see, the problem of equipment failures caused or contributed to near-misses does exist.

If I can be of further service in this matter or any matter, please do not hesitate to contact me.

I remain,

Sincerely,

Mark E. Schneider

Mark E. Schneider
Executive Vice President

MES:ab

cc: The Honorable Glenn Anderson

Mr. **Snyder**. Are there any statistics available to indicate that the number of near misses increases when the primary system is down?

Mr. **Schneider**. We do not have those statistics available. Whether the FAA does is another question. We do have some statistics that were published in Aviation Daily, on delays due to equipment failures. Any time there is a holding pattern, you have increased the probability of a near-miss or tragedy.

Mr. **Snyder**. I can understand, there would be delays. But you have a less sophisticated system, and you are probably spacing your aircraft more gingerly with a primary system working.

But if, in fact, you develop any statistics that indicate that the number of near-misses does increase when the primary system is down, I am sure the subcommittee would like to have them.

Thank you, Mr. Chairman.

Mr. **Anderson**. I have a few questions.

Do you believe that the facilities and equipment authorization levels proposed in H.R. 6721 are adequate to meet the demands that will be placed on the country's aviation system over the next several years?

Mr. **Schneider**. If they are spent judiciously; yes, sir.

Mr. **Anderson**. What priorities do you think should be followed for the facilities and equipment program? In other words, which equipment is the aviation system most in need of?

Mr. **Schneider**. You have heard previous testimony, not only from our organization but from just about every user of the aviation system, about the necessity to upgrade the computers at the air traffic control centers.

Also, an increase of ARTS 2(a) and 3, systems which are computerized systems at the major hubs should take some priority. We are faced with a standardization and a modernization that is necessitated in our communications facilities—from the ADAP funding that is authorized in H.R. 6721. There is not enough money to go around for all of these programs.

Mr. **Anderson**. FAA has maintained that the new equipment it is purchasing will require less maintenance because of solid-state technology. FAA also maintains that a preventive maintenance program for solid-state equipment would actually be harmful, because it has been found that tinkering with solid-state equipment causes more problems than just leaving the equipment alone until it goes out?

Do you agree with these positions of FAA?

Mr. **Schneider**. I believe you are referring to Mr. Bond's testimony before this subcommittee in December of last year, when he brought forth the chart with the infant mortality curve.

Frankly, I think that curve is a hypothetical pipedream. There is no way that that curve can have credibility, and should not before this subcommittee.

Mr. Bond said that was solid-state equipment. I would like to point out that the computers are all solid-state equipment, and have been in existence for over 8 years, and it is one of the greatest problems facing the aviation industry today.

We have no reason to feel the new equipment will be any different.

Mr. **Anderson**. In your testimony you suggest the need for frequent congressional review of the F. & E. program. Do not the Appropriation's and O. & R. Committee's ability to hold oversight hearings meet the need for frequent reviews of the F. & E. program?

Mr. **Schneider**. No, sir, they do not.

No. 1, oversight and review will not look into the subject until we have taken a 2 by 4 and gotten their attention, usually it is an air traffic tragedy that causes a review.

No. 2, the appropriations as outlined in the reauthorization of ADAP, the way I understand it, this is a 5-year bill, which means you are not legally obligated to review these programs for 5 years.

After that time, it is normally too late.

Mr. **Anderson**. Could you describe the proposed remote maintenance monitoring systems discussed in your testimony? Do you think it will improve the reliability of the air traffic control system?

Mr. **Schneider**. In our testimony, sir, we do not say it will improve the reliability. That is a hypothesis of FAA. We have the opposite theory. It will be detrimental. The remote maintenance monitoring is for remote sites that will feed signals into a central location. These signals will indicate whether the equipment is working properly, or if it has failed.

The system could in no way repair the equipment, recertify the equipment, or get the equipment back on the air for the use of the general aviation system. It will just tell us it is broke.

A pilot or a controller will tell us that right now.

Mr. **Anderson**. Thank you very much for your presentation. I am sorry I moved through the questions so quickly, but if you wish to elaborate, the record will be left open.

We will reconvene the hearings Tuesday, the 25th, at 10 o'clock.

[Whereupon, at 3:31 p.m., the subcommittee adjourned, to reconvene on Tuesday, March 26, 1980, at 10 a.m.]

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AIRPORT AND AIRWAY IMPROVEMENT ACT OF 1980

TUESDAY, MARCH 25, 1980

House of Representatives,
Subcommittee on Aviation,
of the Committee on Public Works and Transportation,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:15 a.m., in room 2167, Rayburn House Office Building, Hon. Glenn M. Anderson (chairman of the subcommittee) presiding.

Mr. **Anderson**. The meeting of the Subcommittee on Aviation will come to order.

Before we begin today's hearings, I feel compelled to stress two rules of the Aviation Subcommittee. First, we require witnesses to submit their testimony 2 working days before the date of appearance. This leadtime is essential to allow adequate time for review of testimony. Many of the witnesses for today's hearing have failed to comply with this reasonable rule. Failure to comply with this rule in the future will result in witnesses being denied the opportunity to testify. Their late-arriving testimony will, however, be accepted for the written record.

Second, our rules require that witnesses limit their oral presentation to 10 minutes. A longer written statement may be submitted for the record. I do not want to go to a timekeeping operation where staff runs down to tell a witness that his or her time has expired. I am hopeful that this rule can be complied with through the exercise of self-discipline. Adherence to this rule will provide an opportunity for all witnesses to be heard and enable the subcommittee to adjourn at a reasonable hour each day.

We are very honored today to have a distinguished panel from the Subcommittee on Oversight of the Committee on Ways and Means: the Honorable Sam Gibbons of Florida; the Honorable J. J. Pickle of Texas, who I understand is about to walk in the room; and the Honorable W. Henson Moore.

So, Sam, you are the first one on the list. We are very happy to have you here. Do you want to come forward?

Mr. **Gibbons**. Thank you, sir.

Mr. **Anderson**. Now, are the others going to sit up there with you at the same time?

Mr. **Gibbons**. We might as well, yes, sir. Come on up.

Mr. **Anderson**. The full text of your prepared statements will appear in the record at this point.

[Statements referred to follow:]

STATEMENT OF THE HONORABLE SAM M. GIBBONS
CHAIRMAN, HOUSE WAYS AND MEANS OVERSIGHT SUBCOMMITTEE
BEFORE THE AVIATION SUBCOMMITTEE
HOUSE PUBLIC WORKS COMMITTEE
MARCH 25, 1980

I want to first thank you for the opportunity to appear hear today to discuss a topic of vital importance to all of us and to the American flying public--the future of the Airport and Airways Trust Fund.

My subcommittee has been looking at this issue for several years now and has learned a lot along the way. We appreciate the cooperation we've had from your subcommittee and its staff. I think there's an excellent chance that we can work together to come up with a renewed airport and airways program that will overcome safety deficiencies we have identified at hundreds of domestic airports.

There has been a tremendous growth in America's aviation system since the Airport and Airways Trust Fund was initiated a decade ago. Projects funded from the trust fund have made much of this growth possible. At the same time we have had ten years to think about how the fund should operate and to detect some of its defects. As a result I think the legislation we ultimately approve this year will be an improvement over present law in terms of our initial objective--insuring the highest possible level of safety for the flying public.

I would like to start by relaying the recommendations of the Ways and Means Oversight Subcommittee and our rationale for them. Then I want to share with you some of my personal thoughts about where we should be headed.

Our subcommittee believes that the first priority of the aviation program must be safety. To that end we believe the minimum authorization for the Facilities and Equipment account should be $550 million in fiscal 81. The next priority is airport capacity and here we have endorsed the Administration ADAP spending level. Our discussion about ADAP took place before H.R.6721 was released. Finally, our subcommittee thinks that it is entirely proper and appropriate to expend amounts remaining in the fund after these two programs are funded on operations and maintenance. So we have no objection to Administration plans to greatly increase the O & M authorization and endorse the thought behind this proposal. Surely using this money for operations is preferable to allowing it to accumulate as a surplus.

My subcommittee has devoted most of its attention to the Facilities and Equipment account, particularly that portion that pays for navigation aids located at airports. This emphasis seems proper to us in that the majority of fatal accidents occur in the airport environment.

We have heard recommendations from the National Transportation Safety Board and the aviation interest groups that more money be spent for Instrument Landing Systems, Visual Approach Slope Indicators and other airport needs. Hundreds of airports with scheduled service lack such equipment and thus have a lower level of safety than could otherwise be provided. The situation is especially acute at the smallest airports with such service.

There is also a critical need to adequately equip reliever airports to avoid the type of dangerous congestion we have in San Diego and other major carrier airports that are also popular with the general aviation community.

Last month Administrator Bond acknowledged that he believed the FAA could effectively spend an additional $1 billion in the

Facilities and Equipment account over the next five years. By dividing this amount equally and adding the resulting $200 million annual authorization to the $350 million requested by the Administration for FY 81, we come up with the $550 million figure. We believe that the Administration figures should be increased by $200 million annually for each of the other years.

The funding levels for F & E in H.R.6721 are just a little below what we would recommend, ranging from $525 million next year to $688 million in fiscal 85. Considering the impact of inflation it would probably be wise to set these authorization levels a bit higher and allow for further adjustments as part of the appropriations process.

Our subcommittee has not looked extensively into the Airport Development Aid Program. It appears to us that funding levels have been adequate in the past. Some of us are concerned that money is going to airports without real needs, but others fear that requiring airports to justify projects would add a level of bureaucracy that would ultimately impair the efficiency of the entire program. We endorsed the $700 million level proposed by the Administration which is $175 million less than is in H.R.6721.

I think I can speak for my colleagues in saying that if there is a greater need at some airports we would favor limiting the variety of projects that can be funded out of ADAP rather than increasing the total funding level.

One way of doing this would be to take the Senate approach since the biggest airports seem to have the least justification for receiving ADAP funds.

Our final discussion involved the Administration proposal to add a billion dollars to the Operations and Maintenance account. Our subcommittee believes that adequate safety funding for F & E comes first. But we also acknowledge that the fund's surplus is more than is required to fill the F & E backlog. We believe that any residue left in the fund after airport and safety needs are met should properly be used to fund the O & M account. During this period of budgetary constraint it seems especially appropriate that users of the aviation system be asked to pay an increasing portion of its cost, especially when the money is readily available as part of a surplus.

I think there is a widespread and justified fear within the Congress that moving in this direction will lead to attempts to starve other programs, including F & E, in an effort to fully fund operations out of the trust fund. We need a mechanism to avoid this. Perhaps we can key future O & M spending to adequate funding levels for other programs. But in any event, I do not believe we should allow this fear to dissuade us from channeling more money into operations.

H.R.6721, I notice, calls for only a modest increase in O & M spending out of the trust fund.

That concludes my summary of our subcommittee actions. At this point I would like to make a few personal observations. In 1976 I led the unsuccessful fight to bar the use of ADAP money for terminal construction. I still believe this is an inappropriate use of this money. I have serious questions about the purchase of terminal art with such funds. On the other hand, as someone who is very aware of the problems in the highway trust fund, I believe proposals that ADAP money be used for mass transit facilities, or access roads, at airports have merit and deserve consideration if safety needs at a given airport have been met. I don't believe this should be used for bond retirement under any circumstances.

I believe the two airports operated by the FAA--Washington National and Dulles--should be eligible for ADAP funds. Under this provision, National would receive a bit over $5 million while Dulles would get more than $2 million. Secretary of Transportation Goldschmidt has called Washington National a dump. He's right. It needs improvement. And there is no reason users of the aviation community should not pay for these improvements as they already do at other airports.

Finally, I would like to touch on something that has bothered me about these programs since I first looked at them. They remind me of those Caribbean Islands where luxuries come cheap but necessities are very expensive. We have a program where some airports are assured funds when they have no real needs while other airports are denied needed navigation aids because of budgetary constraints. I don't know whether any of you share this concern, but I do believe it merits some attention at a time when revenue sharing programs generally are getting increased scrutiny.

Thank you for your indulgence. I believe America's aviation system has an enviable safety record and I believe legislation written within this subcommittee is partially responsible for that. But I also think that this good record can be made better and that the action you take on this legislation can move us toward this common goal.

STATEMENT OF CONGRESSMAN J. J. PICKLE BEFORE HOUSE AVIATION SUBCOMMITTEE

MR. CHAIRMAN AND MEMBERS OF THE AVIATION SUBCOMMITTEE. I want to thank you for inviting the Ways and Means Subcommittee on Oversight to testify this morning on the Airport and Airways Trust Fund. As you know, our subcommittee, under the able leadership of the Hon. Sam Gibbons, has conducted many hearings and has learned a great deal about safety deficiencies.

Let me first discuss the ADAP program, then move into the other issue you are considering at these hearings---the question of airport access.

You and your staff have done an excellent job to advance the cause of aviation safety. On occasion, your staff has called my office, and even the manager at the largest airport in my district, to get our views on aviation policy. You have your heads to the ground, which the whole aviation community should appreciate.

Next, let me associate myself with many of the remarks of my Chairman, Mr. Gibbons. There are many good, progressive features about HR 6721. Just about everyone agrees that we must spend more money for Instrument Landing Systems, Visual Approach Slope Indicators and other rather elementary equipment. With the growth of general aviation and commuter aviation, we must get our smaller airports up to standard. HR 6721 reflects this need.

We must also spend more on Facilities and Equipment. While the funding levels in HR 6721 differ slightly from Chairman Gibbons' ideas, we are all generally on the right track.

HR 6721 does the whole country a service by leaving the largest airports in the ADAP program. I know, Mr. Chairman, that we are currently seeing an "anti-government" mood throughout the country, reflected in many of our actions here. I understand and appreciate this feeling. But in all due respect to the Senate approach on ADAP, I would oppose the defederalization of major airports. The concept embodied in HR 6721, by contrast, is strong and justified. Managers of medium-sized airports, including our municipally-owned airport in Austin, Texas, fear the Senate bill might lead to other airports getting cut off, not just the "big guys".

Since much of the hardware and the manpower is related to, or part of the federal government, I believe any and all airports should remain under this federal umbrella. Obviously, some airports may need more equipment than other airports, but there are better ways to be prudent with our money than completely cutting off an airport.

HR 6721 charts a middle course. While I am not completely familiar with every section, I can agree with much of what you are doing. The bill reflects the need to improve aviation equipment and facilities around the country, while not burning a hole in the pocket of the ADAP surplus. We must spend to improve safety, but we must also spend prudently.

Now let me share some thoughts with the subcommittee on airport access. I do not mean to sound provincial, but many of my statements and attitudes will reflect upon our experience in Austin.

The Austin Municipal Airport is growing by leaps and bounds to the point where we are having trouble coping with this growth. Many parts of airline deregulation have improved services, but I fear we have more questions than answers about airport access.

To give you a little background, our airport is located very close to downtown Austin. There is room for some expansion, but never will the airport become a big regional or international facility at the present location. Because of deregulation in general and the growth of an intrastate carrier in particular, Austin's municipal airport is feeling the pinch.

Right now, if an airline wants to begin service through Austin, there is very little the City can do to say how fast the airline traffic should grow or how the growth should be directed.

The Civil Aeronautics Board says with deregulation, the more carriers serving a city, the merrier. Competition is healthy; the laws of supply and demand will work. I, too, believe in this basic economic fact, but I am not so sure that total deregulation has been the godsend that was promised.

The Austin airport is crowded. One solution might be to build a new airport out of town. But others prefer staying in the present excellent location even with occasional congestion. No matter what happens, we will have to use the present facility for several more years.

The CAB would tell you that if a new air carrier wishes to enter a market, the airport should get existing carriers together and work out an allocation of gates or counter space. Everyone must scoot over a bit and make room for the new kid in town.

These arrangements may have worked in other cities. And they might work in Austin. But you do have problems in breaking off an existing lease with an air carrier to get airlines together and bid on counter space. The airport could possibly set a growth limit, establishing a maximum amount of passengers each year or operations an hour, and then let the airlines work out those growth limits themselves. These CAB suggestions are not without merit.

But my airport in Austin is feeling the heat. If and when a new carrier wishes to begin service to Austin, the City does not even get contacted, except perhaps in a very general or indirect way. The aviation office gets a courtesy letter saying that in thirty days, a new carrier is coming to town. The CAB might not even look at the airport's capacity to see what it can handle!

Yes, we can be for deregulation, but a federal agency does not---or should not---allocate new carriers to cities by wearing blindfolds.

All my City is asking for is a voice at the CAB level. Why not let the carrier and the agency know how the City would cope with this growth, instead of making what is almost a surprise landing? Austin does not want to restrict growth or constrict competition. But this airport, along with others around the country, should be provided with a voice or mechanism to tell the CAB how it can cope with new service.

With a better relationship, with better communication, I believe the airports would be in a better position to help determine their future growth patterns. At the least, the airports are simply asking for a voice, a place to sit at the table in CAB's offices.

I would not be surprised if other cities are feeling growth pains. We are not against airlines or against their way of doing business. But there simply comes a time when an airport needs a little breathing room. At some point, the voice of a City should be given the right of a hearing.

I appreciate you hearing me out on this problem. If I can be of help in fashioning some kind of legislation on this problem, please feel free to call.

Thank you, Mr. Chairman and Members of the Subcommittee, for allowing us to testify today.

Mr. **Anderson**. Please proceed.

TESTIMONY OF HON. SAM M. GIBBONS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA; HON. J. J. PICKLE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS; AND HON. W. HENSON MOORE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Mr. **Gibbons**. Thank you, Mr. Chairman.

Our Subcommittee on Oversight, of course, gets into this matter because of the fact that the tax legislation that is a part of this entire trust fund operation must come before the Ways and Means Committee, and a number of years ago we started reviewing, in an oversight manner, the operation of the trust fund and how the funds are being expended.

As a result of almost 3 years of review, our subcommittee believes that the first priority of the aviation program must be safety. To this end, we believe that the minimum authorization for the facilities and equipment account, which we consider to be the most important of these accounts, should be at least $550 million for fiscal 1981. The next priority is airport capacity, and we have endorsed the administration's ADAP spending level.

Our discussions about ADAP took place before your bill was released. My subcommittee devoted most of its attention to the facilities and equipment account, particularly that portion that pays for navigational aids at airports. We emphasized this, because the majority of the fatal accidents that occur occur in the airport environment.

We have heard recommendations from the National Transportation Safety Board and aviation groups that more money be spent on instrument landing systems, visual approach slope indicators, and other airport needs. Hundreds of airports with scheduled service lack such equipment and, thus, have a lower level of safety than could otherwise be provided. The situation is especially acute at the smallest airports with such service.

There is a critical need to adequately equip reliever airports to avoid the dangerous congestion, such as the ones that we have around San Diego and around O'Hare and other large airports in the country.

Last month, Administrator Bond of the FAA acknowledged that the FAA could effectively spend about a billion dollars in the facilities and equipment account over the next 5 years. By dividing this amount equally and adding the resulting $200 million annual authorization to the $350 million requested by the Administration for 1981, we came up with the $550 million figure. We believe that the Administration's figure could be increased by $200 million annually for each of the other years.

In funding the F. & E. account, we are just a little below what you are in your bill, Mr. Chairman.

Mr. **Anderson**. A little above.

Mr. **Gibbons**. A little above.

Mr. **Anderson**. We have $525 million in our bill.

Mr. **Gibbons**. You are a little below; that is right. We think that the funds could, though, adequately be spent for this. When you consider the impact of inflation, it would probably be wise to set the authorization higher a bit and allow for the adjustments in the appropriations process.

We did not spend an extensive amount of time looking at the airport development aid program, because we feel that that is one that your committee is very interested in.

Finally, we came to the conclusion that the Administration's proposal to add a billion dollars to the operations and maintenance account was a desirable one, but our subcommittee believes that the safety funding comes first before either the ADAP account or the operations and maintenance account.

That concludes the summary of our subcommittee actions. At this point, I would like to add a few personal observations. In 1976, I led an unsuccessful fight to bar the use of ADAP money for terminal construction. I still believe that it is inappropriate to use this money in this manner. I have serious questions about the purchase of terminal art with such funds. On the other hand, as someone who is very aware of the problems in the Highway Trust Fund, I believe that the proposals that ADAP money be used for mass transit facilities or access roads at airports have some merit and deserve some consideration if the safety needs at the airport have been met. I do not believe that any of the funds that are collected from this tax should be used for bond retirement under any circumstances.

I believe that the two airports operated by the FAA in Washington—Washington National and Dulles—should be eligible for ADAP funds. Under this provision, National would receive a bit over $5 million, while Dulles would get about $2 million. Secretary of Transportation Goldschmidt has called Washington National a dump, and I agree with him. It needs improvements, and there is no reason why the users of the aviation community should not pay for these improvements as they do at other airports.

I want to thank you for your indulgence, Mr. Chairman, and say that we look forward to cooperating with you when the portion of the bill dealing with the tax finally comes to the Ways and Means Committee. It has been our impression that the FAA has not been vigorous enough in seeking funds and expending funds in the facilities and equipment account. We feel that many of the airports are inadequately equipped for safety, and that most of the aviation accidents and fatalities occur in the airport environment. We would hope that in structuring your bill, you would make it absolutely clear to the FAA and to the rest of the Government that we want to stress the use of these funds, these tax funds, for safety purposes.

Thank you, Mr. Chairman.

Mr. **Anderson**. Thank you, Sam.

Would either Mr. Pickle or Mr. Moore like to say something at this time before we ask questions? You did not send any prepared statement in. Mr. Pickle?

Ray, would you like to introduce this fellow from your part of the world down there?

Mr. **Roberts**. Mr. Chairman, I would just make the comment that I am pleased to have with us my distinguished colleague from

Texas, "Jake" Pickle. He always comes prepared, and I am glad to have him here.

Mr. **Pickle.** My colleague Mr. Roberts is kind to me and I appreciate his observation.

Mr. Chairman, I want to first associate myself with the remarks of Mr. Gibbons, chairman of the Oversight Committee of Ways and Means. We have held a series of hearings on this subject, and I think we brought out a lot of very vital information, particularly in the area of safety and equipment needed for some of these smaller airports.

In general, I support the bill that you, Mr. Chairman, are recommending, and oppose the Cannon bill. You have been very considerate in calling my office and, even the manager of my airport in Austin, Tex. to get our views. I must say the Austin airport would not be affected by this Senate bill, but we might be down the line, and we think your approach is better.

Now, Mr. Chairman, let me make one other suggestion. I am going to comment in general terms about a point that I think, at some point, this committee or the Congress should address.

When an application is made by a carrier to come into a city, the CAB decides to grant that license on the basis of necessity and convenience. If it is granted, that city must provide the facilities—another gate, another counter, or whatever it takes—and the city, since it has no choice, can be hard put to accommodate a new carrier. In 99 out of 100 cases in the past, new service has always been welcomed. But we, in this present day, we are getting so many of the carriers with deregulation that a lot of our airports are becoming crowded and they are beginning to ask themselves, How can we handle this traffic?

At some point, I think your committee might appropriately consider the question of allowing a city to at least have a voice on whether it thinks it can accommodate a new carrier. At this point, since it is Federal money, no carrier is refused; every carrier must be accommodated. That has been a good principle in the past, but I say to you that with deregulation and with the growth of so many of our major fields, we are reaching a point—my city is—where we have to ask ourselves, can we accommodate another carrier, regardless of whomever it may be.

Now, I do not say that you can stop the licensing or you can stop growth—nobody wants to do that—but there is a question of safety that is also involved, a question of actually being able to take care of a carrier that comes into the city.

So rather than leaving it up strictly to the CAB to say, "This license is granted," it seems to me that the city ought to have a hearing and ought to have a chance at some point to have their apprehensions or their concerns voiced. At this point, they really have very little way of slowing down or stopping a new carrier. I do not think many cities in the country want to reduce growth, because they want the service, but you can put just so much water in a bottle before it runs over, and I think we are reaching the point where I believe, as a matter of policy, either the CAB or the Congress should be addressing themselves to questions of this nature.

I mention this because I think it is a serious question down the line for most of the fields, and I think the Congress as well as the CAB should be addressing themselves to that problem.

I thank you, Mr. Chairman.

Mr. ANDERSON. Thank you, Jake. Next, our very distinguished guest from Louisiana, Mr. Moore.

Mr. MOORE. Thank you, Mr. Chairman. I would like to add some comments to those made by my distinguished chairman. I would first like to thank this committee for allowing us to come forth and bring you the comments that we have from the hearings we have held on this issue. I certainly want to compliment my subcommittee chairman, the gentlemen from Florida, Mr. Gibbons, for having done a very efficient and a very good job of pursuing this question through numerous hearings and even private meetings in his office with OMB and FAA on the problem we were concerned about.

I would like to associate myself also with his remarks, and simply add the point that the conclusion that I have come to is the fact that the FAA, through direction from OMB, is not using the money as we intended in Congress, and I would hope that you gentlemen, as the authorizing committee, would change that direction and then get the Appropriations Committee to follow suit. The FAA is very obviously, from my study of their proposed budget, diverting money for safety, from F. & E. to operations.

The facilities and equipment budget, as you know, in the administration's budget, proposed 5-year authorization bill, went, from fiscal year 1980 to fiscal year 1981, with an increase of only 19 percent, from $293 million to $350 million. I am very pleased to see you go to $525 million. I really wonder if we are not talking about even more money than that being necessary to spend; I am not even sure that is enough. But the point is that Mr. Bond agreed in our hearings that the percentage increase over the 5-year administration bill—a 10-percent increase in 1982, 9 percent in 1983, 7.6 percent in 1984, and only 7 percent in 1985—a declining increase is very definitely not going to keep up with inflation. You really are not talking about, under their bill, any real increase in spending for F. & E., and there should be.

If you look at the operations budget, on the other hand, the money going out of the trust fund to operations of FAA, while you are talking about a 19-percent increase in F. & E. spending, you are talking about a 300-percent increase in the amount of money coming out of the trust fund for the operations of the FAA, from $325 million this year to $1.3 billion next year.

Now, Mr. Bond at that point made the comment in our hearings, "We have to understand that the operations of the FAA are also devoted to airline safety and air safety," and I realize that. If they were going to increase the spending of the FAA by $1.3 billion, maybe we could tolerate that shift. But, again, when you look at the budget, that is not the case. It only goes, the total spending of the FAA, from $3.245 billion this year to $3.474 billion next year; that is only an increase of $229 million, or 7 percent. So my question is, what happened to the other $1 billion increase they propose to take out of the trust fund for operations of FAA.

I think the answer is obvious. There is no $1 billion increase in spending. What you are simply doing is increasing who is paying for the operations of the FAA, or how it is being paid for, from the general fund to the trust fund. That proves the point I am trying to make. The point is we are not using the trust fund money for F. & E.; we are using the trust fund money for operations of FAA at a tremendous increase, 300 percent, according to the FAA's own budget proposed for 1981. That needs to be changed.

If there was no needed F. & E. spending across the country, then I would not object to that, but there is. I want to give you just two examples from a little airport in Baton Rouge, La., that I represent. Baton Rouge is the State capital and has about 25 commercial flights a day, in addition to commuter flights, and the airport is the only general aviation airport in the vicinity. I do not know how many airplanes a day that is, but it is a bunch, and it is not one of the top 100 airports, but it is in the next grouping. That airport needs, and it has been approved for, the new ARTS II radar system.

Now, all of the hearings we had said that the radar system is a tremendous improvement over the kind that the Baton Rouge airport has now. It gives the air traffic controller more information; it gives it to him quicker, and it gives it to him in a way that he can use it to keep airplanes from running into one another while circling the airport or being in the vicinity of that airport. Everybody admits you ought to have this; the FAA has admitted that you are in line to get it. I said, "Why do we not have it now?" The answer was, "Well, we have to wait until fiscal restraints allow us to give you the $500,000 to buy that system."

What are the fiscal constraints? The money is there; it is in the budget. They say we need it; they say the technology is approved; they say the system is available and you can buy it right now. Why the delay; why this artificial fiscal constraint?

The next most interesting thing is that Baton Rouge, this summer, is to commence building a brandnew tower at Baton Rouge. That tower will be finished in about a year. Now, what point is there in bringing in an old radar system to install in that brandnew tower for a year to a year and a half until the "fiscal constraints," in quotation marks, allow them to go ahead and buy the new radar system to put into the new tower? We checked into it further, and even according to the FAA, the 1-year delay in bringing the new radar system to this airport will cost them a minimum of $90,000, just the 1-year delay; due to the fact of bringing in the old system, taking out the old system, putting the new system in, that costs about $30,000, and then the increased costs by inflation of waiting the 1 or 2 years to purchase the new system accounts for another $60,000.

So the point I am trying to make is this: Everybody says the new radar system is good; everybody says you are going to get the new radar system; everybody says the new radar system is safer, and the money is there to buy the new radar system. But the Baton Rouge Airport will not get it because of these fiscal constraints, which will cost Uncle Sam $90,000, those fiscal constraints will, and give us an unsafe condition or not have that airport as safe as it can be, and you compound that with the fact that you are going to have a brandnew tower with essentially outmoded radar equipment sitting in it while new equipment is available and could be had at the very moment.

Another example from this same airport: We have one of our primary runways—we have two at that airport—that is not grooved. We all know, any pilot will tell you, that the grooving of the runway prevents hydroplaning when the runway is wet and prevents accidents. It rains a lot in Baton Rouge. As a matter of fact, I think the only place in the country that rains more is in the State of Washington. We have a lot of rain. That airport has not been grooved as yet. It is going to start to be grooved this summer. Well, we asked the FAA why is that, and, again, it is fiscal constraints.

Now, they gave us the money pretty well when we applied for it, but the kicker is your airport administrator is told by the FAA not to apply for certain things, or to prioritize what he is going to apply for, because he is only going to get, realistically, so much money out of F. & E. each year. So we were told, or we had to make the decision to put that near the end of the line of several things that had to be done that were more critical.

Last Monday, March 17, 1980, a Texas International DC-9 carrying 51 passengers and crew tried to land on a rain-slick, ungrooved runway at Baton Rouge, La., could not stop, spun off the runway. The plane is a total loss, a sizable piece of money for that airline; 15 passengers and crew were injured and were hospitalized—thank God, no one that seriously and no one was killed. That runway accident, that accident with that aircraft probably would not have happened had that runway been grooved, had we gotten that money a little bit sooner to be able to groove that runway.

I am not saying, again, that the FAA did not give us the money when we asked for it. They just had delayed us asking for it under the realistic proposition we were not going to get it until this year and until a time to do it.

Now, my point is, how long do we have to wait for accidents to happen to take off these artificial fiscal constraints. We just had an accident at this airport in Baton Rouge, and I do not want to see us have a mid-air collision or some other kind of accident because we do not have this new radar system, or will not have it for 1 year or 2, because of fiscal restraints, when, in fact, the money is there. The people flying into that airport have paid their taxes, just like they have in the other airports across the country.

Now, the airport trust fund is not in danger of being used up. The FAA admitted in our hearings that they have a surplus right now, which you are aware of, of $3.75 billion; that by the year 1981, they will have $4.7 billion. Even with the increased spending of their 5-year authorization bill, they admitted that their projections show, when you take into account inflation and a higher cost of airplane tickets, that they are going to have more money in the trust fund than they have now, even at the end of the 5 years, and they brag about this increased spending. I am not sure what the projections are going to be after the House bill passes, but the point is we are not in danger of spending up that money.

I normally am one who is very concerned about spending, but as long as you have a system that basically is hitting the small and medium airports in the country, as we have now, where 30 percent of the money is going to the top 5 airports, 70 percent to the top 30, and Baton Rouge along with 450 other airports are competing for 30 percent of the money, and you have accidents like this happening simply because the money was not sprung for sooner and you have the possibility of more serious accidents happening in the future, then I think that is something that we ought to take a long, hard look at—are we spending the money as Congress intended. I think the answer is absolutely not.

I support a balanced budget, Mr. Chairman, and I support the idea of not spending money if you do not have it and not wasting money, but that is not the case here. The money is in the fund; it has been paid for by the taxpayers for airport safety, among other things. There are safety needs across the country that are standing in line because of, quote, unquote, "fiscal constraints," which I do not understand. Simply, what OMB is doing—and you know it as well as I do—is they are holding up the spending of this money to make us look like we have a balanced budget.

This money is different. This money is paid for. This money should be obligated now. This money is needed now. In that situation, I think it is wrong to hold back these fiscal constraints and not spend the money for what we are using it for or to shift it into FAA operations at the expense of F. & E. spending which is necessary.

So, Mr. Chairman, I certainly support any efforts of this committee to change this direction, and I fully support efforts which I hope Chairman Gibbons institutes within the full Ways and Means Committee to lower their 8 percent tax on air passengers if we do not start spending and absolutely to oppose the increased taxes on gasoline or general aviation that FAA and the administration are proposing. If we are not going to spend the money we have now, why should we raise taxes, and how can we justify the current tax level? I, for one, will vote to lower or vote to refuse the new taxes unless the direction is changed.

Thank you, Mr. Chairman.

Mr. GIBBONS. Mr. Chairman, before you ask questions, let me say this. I was on the Ways and Means Committee in 1970 when we passed this tax. We on the committee thought the money was going to be spent first and foremost for safety, and when we began our oversight hearings, we were astounded to find that safety really has received a very low priority as far as the FAA is concerned.

As Mr. Moore has said and as other members of the Ways and Means Committee have told me, we do not intend to renew this tax unless there is some change in the administration's attitude about how the money is going to be spent. That is a prerogative that the Ways and Means Committee has. I have not counted the votes or anything else, but as Mr. Moore has so clearly pointed out and Mr. Pickle has so clearly pointed out, the money is there, the people have paid the tax. They paid it, first, for safety and, secondly, for airport development, and the money has not been spent for safety; it has not been spent for airport development; it has not been even spent to do the most fundamental things, like grooving the runways.

One of the times you all lent us this committee room to have a hearing, and, Mr. Chairman, I sat right where you are sitting and the witness sat right here, and I asked the witness, the president of the Air Line Pilots Association, "What is the most important safety requirement that you know of that needs to be done right now?" And he said, "Mr. Chairman, it is grooving the runways at the airports." Grooving a runway is a very simple problem; it is not a very complicated technical job, and it is not expensive. He said that the pilots generally agreed that the most fundamental problem they had was that these are not grooved, and even when they are grooved, many of them are not properly maintained and planes landing in wet weather tend to aquaplane; he said, "You just do not have any control over an airliner that may have 400 people on board when that plane begins to aquaplane; it is not flying, it is not rolling, it is skidding," and he said, "There is just no way to control an airliner; it is just a miracle that we have not had more accidents like that."

Well, there is just no way that we who levy the tax can defend levying a tax for this purpose and to have it just not spent for the purpose for which we levied it. That is really our message, Mr. Chairman, and we will certainly be glad to answer any questions that you may have.

Mr. **Anderson**. Thank you, Sam and Henson and Mr. Pickle.

First, I want to comment a little bit on Mr. Pickle's reference to local control about how many planes should come into an airport. I just want to bring you up to date on a situation that is going on right now in my area, at the Orange County Airport.

We have an airport there that was built a few years ago with a ceiling of 300,000 enplanements: That is what they felt the airport was built for. Today, it has 1,300,000 enplanements, and the community is up in arms, saying, "We do not want any more in." They have 38 operations of air carrier planes—I think 24 by Air West and 14 by Air California—and they have a commuter operation. That is what supplies this 1,300,000. Now, there are applications from Western and Frontier who want to come in there and under deregulation, that they have a right to come in like anyone else.

Now, this is a case where we have a problem, where the FAA now is hearing it. We have not heard from the FAA as to what their decision is. We assume it is going to be against the local airport. But there is this problem. Here is a need for an airport to have more operations. They already have, however, four times what the airport was originally built to accommodate. The town people apparently do not want any more coming in there, and we are faced with this problem. I assume that this is a familiar pattern throughout the country.

I agree with you; I personally feel there should be some local control, but I am not exactly sure how we do this. My sympathies are with the Orange County Airport people. At the same time, my sympathies are with the other airlines that feel they have a right to come in there.

Mr. **Pickle**. Mr. Chairman, I subscribe to the theory that inasmuch as Federal funds are used for the operation and maintenance of most of our major airfields, all carriers should be treated equally and each carrier should be given access at the counter and at the gate.

At the same time, with growth so strong these days, almost any city could reach a point where it cannot, in the full sense of safety, continue to see that kind of growth. I do not want to change the policy, except to say to the CAB that at least a city's testimony ought to be included as part of a hearing; that its voice ought to be heard, and that it should weigh safety as well as it does the issuance of a license.

Mr. **Anderson**. In this particular case, we are going through the hearings and they have had plenty of hearings. The cities' views are well known. The question is, Who is going to rule. Are we going to rule back here and say anyone can come into that airport, or is the local government going to rule and say, "We have already exceeded our original enplanement limit by four times and we cannot stand any more planes coming in and we cannot handle them"?

Mr. **Pickle**. It is a sticky problem.

Mr. **Anderson**. Mr. Moore, I have a question here for you, and I have some for Sam.

Henson, you seem to have more reservations about increased O. & M. spending than the other members of this panel. I would appreciate hearing the panel's views on whether you favor increasing the O. & M. from the existing $325 million to the $400 million as proposed in our bill, H.R. 6721, or to the $1.3 billion as proposed by the administration.

Mr. **Moore**. Obviously, I favor your bill over that, Mr. Chairman; I think that is a much more moderate increase. What I see happening is a failure to use the money for what we intended, F. & E.; yet, taking the money out of the fund for operations at the FAA.

So it is obvious what is happening; you are simply shifting where you are paying for the operations of FAA from the general fund to the trust fund, which is taking money from the trust fund and from what its primary use was for, which I view to be, as does Mr. Gibbons, for airport safety and airport development.

If you do that and you have money left over, fine; fund the FAA's operations. So I would certainly appreciate and support the committee's proposition over that of the administration.

Mr. **Snyder**. Would the gentleman yield?

Mr. **Anderson**. Sure.

Mr. **Snyder**. Are you aware of the fact that we have written into this bill a two-for-one penalty so that they will not let the F. & E. money lay and draw down the O. & M., which is, of course, what their inclination is? But if they do not spend the F. & E., they get a two-for-one dollars penalty against their O. & M.

Mr. **Moore**. I think that is a super idea. I learned of that this morning, and I think that this is the kind of direction we need from your committee to change what is happening; that is, the direction FAA is tending to go, under OMB's pressure.

Mr. **Anderson**. You also made mention, I think, in your remarks, of constraints on the local airport in asking for things from the FAA, such as grooving runways. I do not understand that. I thought most airports made requests one after the other, and may not get them all, but there was nothing to stop them from asking.

Your airport did not ask for the money to groove their runway because they were told they should not; that they should prioritize it and just ask for those that the FAA told them they thought they could get?

Mr. **Moore**. My understanding is that most of the airport administrators have a very close working relationship with the regional FAA people that approve their requests. Those people tell them, "Now, look, Joe"—if the airport administrator's name is Joe—"you can file for anything you want to, but you know realistically that with the amount of money we have to pass out, you are only going to get money for this or that."

So, that forces the administrator, then, to try and prioritize what he really wants, and he goes for the item he thinks he can get and he most needs, which causes him to put off something like grooving.

On that same runway that this airplane ran off, we have had two other scheduled air carriers run off the runway. So the first item of business, when he got funding, was to fill in a huge drainage ditch at the end of the runway that would have caused the airplane to go down into this ditch and cause very serious accidents. He just finished that project.

So he was told essentially, "You are not going to get money for everything, so you had better pick out what is the most important to you." So he picked out the drainage ditch first, and now, of course, the grooving comes later. That is the sort of pressure that the fiscal constraints have put the airport administrators under, because they know they are not going to get the money for everything they need for airport safety and equipment, even though the money is there.

They are only going to get the amount of money that has been appropriated and been authorized, and only a small share of that. So they had better spend their time with FAA going after what is the most important thing, rather than a complete list of projects.

Mr. **Anderson**. Jake, I know you have another hearing that you are late for right now, so we can excuse you.

Mr. **Levitas**. Mr. Chairman, I would like to ask a question of Mr. Pickle before he leaves.

Mr. **Anderson**. Fine.

Mr. **Levitas**. The question of airport access is really what the issue is, and that is going to be one of the major issues which we address in these hearings, leading up to the markup of airport access. It has a lot of varieties; you and the chairman have identified one.

For example, at some airports where new carriers are coming in or replacement commuters are taking over from certificated carriers that have abandoned service, there are problems not only of gate access, but in certain other areas, such as air space slotting.

On the question of gate access, one of the proposals that has been made by the administration in their bill is that the Secretary of Transportation should have the authority, in effect, to revoke the long-term leases that have been entered into between carriers and airport operators at those airports.

How would that tie in with the situation you have got in Austin?

Mr. **Pickle**. I do not know that that would be the best solution, although it would be one solution. The Secretary is getting a great deal of authority to cancel out all contracts and make all of the carriers bid in a scrambling sort of a fashion. But I do not say that it is not a viable consideration.

I do not know that I have the exact answer. All I am saying is that at this point what I think my city would ask—though it is contacted in advance and knows that a carrier has applied, about all it can do is make general statements. And then they get a courtesy letter about 30 days in advance, saying that "Carrier 'X' has been added to your field and is coming in."

Now, I think they ought to have a chance to appear somewhere and say, "At this point in time, we need an extension of this consideration; we need to see if we can accommodate, and we need to look at it a little bit further."

I do not know that I am prepared to say to the Secretary of Transportation that I want to give him that authority; neither do I want to leave it to the city, because I recognize that if you did, your local officials could have their own prejudices and their own friends, and somebody could say, "We do not want you to come in; we decline this."

So I do not know what the answer is, but perhaps this best lies with the CAB rather than the Secretary of Transportation.

Mr. LEVITAS. Let me make this observation. I agree with you; we have got to have a national air transportation system. We cannot have it so balkanized that every community in the country, either through noise curfews, landing restrictions, or access, could destroy a national air transportation system. On the other hand, you do have these local problems that must be addressed.

Rather than approaching it the way the administration has suggested, I have prepared an amendment to this bill which would require the Secretary of Transportation to convene, within 60 days after this legislation goes into effect, a conference on airport access, which would be given a limited period of life—say, 90 days or 6 months, at the outside—which will involve the CAB, the FAA, local airport operators, air carriers, commuter carriers, the public interest groups that represent passengers, and all interested parties; bring them into a room and lock the door and say, "You guys either work it out or Congress is going to impose a decision on you."

I think that if we get those people talking to each other, which they do not now, we can at least identify the problem and may even get a solution. What do you think about that, Jake?

Mr. PICKLE. Mr. Levitas, I like that idea. I think that everybody would have a chance to express their own views and to weigh the various factors, and perhaps come up with some kind of general approach. I like that.

Mr. LEVITAS. Thank you. Thank you, Mr. Chairman.

Mr. SNYDER. Jake, let me ask you one question before you leave. I made a note here when you were testifying that you said, in effect, that you endorse our approach in this bill over the Senate approach. I took that to mean you were making reference to the defederalization provision of the Senate bill.

Mr. PICKLE. Yes; primarily, that is what I had in mind, even though under the Senate bill, my city of Austin, Tex. is not one of those that would be cut or would be affected by the so-called Cannon bill; but they might a little bit later.

Mr. **Snyder**. It is a foot in the door; I see what you mean. I just wanted to be sure about that.

Mr. **Pickle**. Yes, that is what I meant.

Mr. **Anderson**. Are there any further questions of Mr. Pickle before we excuse him and get back to Sam and Henson?

[No response.]

Mr. **Anderson**. Thank you very much, Jake, for appearing before us.

I might say that I have an advantage over quite a few of you members here in that most every day, I go down to the members' dining room and I have lunch at a table that we call the Gibbons table. So I do not know, Sam, whether it is your influence upon me or my influence upon you, but you are getting your recommendations on the facilities and equipment amount.

I might just point out for the record that the administration is recommending $350 million for facilities and equipment. The Senate bill recommends $400 million for facilities and equipment; we recommend $525 million for facilities and equipment.

You recommend $550 million, so you can see that I have been listening to you rather well there at lunch.

Mr. **Gibbons**. I have been listening to you, Mr. Chairman.

Mr. **Anderson**. That is a pretty good increase. This last year, it was $250 million, so in our bill we have more than doubled the amount for facilities and equipment.

Mr. **Gibbons**. Yes, sir.

Mr. **Anderson**. As Gene mentioned, we put in the stipulation there that for every dollar that they do not spend, we are taking $2 away from O. & M. We are trying to do everything we can to force the administration to spend money for what we consider as the safety items.

Mr. **Gibbons**. It is a real good move, Mr. Chairman.

Mr. **Anderson**. My first question relates to that. Mr. Gibbons, in your testimony you suggest spending $550 million in fiscal year 1981 on facilities and equipment. Your testimony suggests that your recommendation is based on the FAA's testimony that it could usefully spend this amount on facilities and equipment.

Do you consider $550 million to be only a minimal level in meeting the safety needs of the system, or do you think that perhaps a higher funding level would be desirable?

Mr. **Gibbons**. I think that is all they could wisely spend right now.

Mr. **Anderson**. That is all they really could handle?

Mr. **Gibbons**. If they really went to work and grooved all the runways that needed to be grooved, that is not a high-technology job. They could do it, and do it real fast. I imagine that many of the members of this subcommittee land in airports whose runways have not been grooved, or if they were grooved, they are not properly maintained to make sure that you keep the rubber and the oil and the grease out of them so that the grooving will really work.

So they could spend $550 million. They could speed up the acquisition of visual slope indicators and ILS's, the instrument landing systems; they could speed up the purchase of frangible equipment near the ends of runways, so that if planes happen to get off the runway or are too low and they hit them—"frangible" means that they will break off real suddenly, rather than crippling the plane and tearing its undercarriage out or perhaps causing it to crash, as they have in some airports.

There is a whole lot of speed-up that can be done. Now, when they get to speeding up in trying to acquire, say, the ARTS III system, that system is not ready to go into all airports right now, apparently, and it will take some time. But they could let some contracts to purchase ART III's and could move right ahead.

I think $550 million is a reasonable figure. I realize that we have budget restraints upon us, but this is a unique situation. Here is a pact that we made with the American people: "you pay the tax and we will provide the safety." They have paid the tax, and there is a surplus in that account of $3 billion-plus.

The Government has taken that money that they have paid for safety and for airport development and has diverted it to other programs in the national budget; they have broken faith with these people that have paid that tax, and I do not think that that is something they ought to lightly do.

Mr. **Moore**. Mr. Chairman, you mentioned the ARTS III. We have a number of airports that are on line for ARTS II. This equipment is currently available, but is not in the fiscal year 1981 budget; I think only three or four such systems are. In 1982, they intend to spend a bit more and buy a few more.

Also, the wind shear equipment has now been tested out and approved, technologically speaking, and that equipment can be purchased and used at these airports. So I certainly agree with my chairman that from what we have heard, I am confident that there is $550 million worth of facilities and equipment equipment that could be purchased for fiscal year 1981 that is drastically needed. I am not too terribly sure that there is not more than that.

Mr. **Anderson**. H.R. 6721 proposes funding of $225 million over 5 years for reliever airports. This is a significant increase over past authorizations, and I would appreciate your comments on whether this funding level is adequate. If you do not believe that it is, what level of funding would you suggest?

Mr. **Gibbons**. Well, it costs an awful lot of money, Mr. Chairman, to build or to develop an airport nowadays. The price of land and the price of everything else has gone up. This seems to be a beginning step to the reliever airport.

Mr. Levitas talked about it in his questioning. There are only a certain number of slots that you can put airplanes in to bring them into some airports. Mr. Levitas' airport there in Atlanta is a perfect example of crowded airspace; you just cannot get any more planes in there. The whole Washington area and the whole New York area—LaGuardia, Kennedy, and the Newark airports—are just jammed; the airspace is jammed up there. The O'Hare airspace is jammed around Chicago.

We have to have the reliever airports to take care of this lack of airspace around these airports in order to handle the aviation requirements as they exist today. So I would support the spending of money for reliever airports; it is something that is a must. If we had had reliever airports around the San Diego area, we would have certainly saved a lot of lives and a lot of suffering.

Mr. **Anderson**. Many ADAP-eligible items are safety related, as we have been discussing here, such as the runway grooving and runway improvement, and crash, fire, and rescue equipment.

Would you agree with me that these kinds of safety items should not have a lower priority than the items funded under F. & E.?

Mr. **Gibbons**. Yes, sir, I would, but let me say this, and I think Mr. Moore pointed it up in his testimony. The comingling of F. & E. money and ADAP money on perhaps the same project, or the ability to spend both of them on the same project, leads, in my estimation, to a situation in which safety often comes out second.

I would hope that you would use every legislative technique that you can find to make sure that the Federal Government assumes the first and primary responsibility for safety. They should not try to push off on an operator of an airport the requirement of grooving the runway out of funds that have been set aside for his airport development.

We should clearly and unequivocally accept the responsibility of providing the safety-related items at carrier airports in the United States. We should have a common federally supported system of safety that is uniform throughout the United States.

We should not require airport operators to take the amount of money that is given to them and, in effect, get into a buck-passing game as to who is going to pay for the safety. The safety should come first; it should be a Federal responsibility. There should be no doubt about it being a Federal responsibility, and it should be provided.

Mr. **Anderson**. Mr. Gibbons, in your testimony you suggest that the biggest airports may have the least need for ADAP funds. How do you respond to the argument that large airports have great needs for ADAP because there has been tremendous traffic growth at these airports since deregulation, while at the same time the airlines which are currently operating on the financial brink are unwilling to finance much new development at the larger airports?

Mr. **Gibbons**. Mr. Chairman, I recognize that there is not an unlimited amount of money to spend for the purposes we are talking about here today. Some of the larger airports, with the large number of enplanements they have and the way the formula works, have adequately taken care of the major part of the airport development program.

They can finance a lot of the airport development, after that, out of leases with the airlines and out of concessions, where the medium- and the smaller-sized airports, because they do not have the enplanements—but the lives are just as important at those smaller airports as they are at the larger airports—are having to short their safety budgets.

Therefore, I think that because there is a limited amount of funds, you ought to look real seriously at perhaps slowing down the application of funds to the larger, more affluent airports. Certainly, we should not allow the ADAP money or any of this tax money to be spent to pay off bonds that airports have undertaken for their own development.

I think that ought to come out of the leases and out of the concessions, and if the local folks want to build Taj Mahals for airports, then they ought to pay for it out of local funds, not out of these Federal tax dollars.

Mr. **Anderson**. The reason I asked that question was because I noticed that in your statement you did not endorse the defederalization of the airlines.

Mr. **Gibbons**. No, sir, I did not.

Mr. **Anderson**. You did say that one way of doing this would be to take the Senate approach, since the biggest airports seem to have the least justification for receiving ADAP funds, which is almost an endorsement of the Cannon theory.

Mr. **Gibbons**. It is almost an endorsement.

Mr. **Anderson**. We have a problem with this. I have, for example, Los Angeles Airport in my district. I am told that my airport probably could come out ahead under defederalization, although they actually have not endorsed it there.

But in the case of O'Hare, they are tied up in contracts with the airlines at a fixed rate until 1993, so there is no way, if you took ADAP money away from them, that they would be able to change that because they are locked in until 1993. I think we ought to take into consideration some of these problems at some of the major airports when we consider this issue, too.

Mr. **Gibbons**. That is the reason why I did not wholly endorse the Senate proposal. I do think, though, that the larger airports, by and large, with the proper kind of leasing and the proper kind of selling of concessions or renting of concessions and with the large volume of traffic that they have will provide them the kind of income they need for the physical facilities to handle those passengers.

As I have said from the beginning, Mr. Chairman, I am primarily interested in providing a network of safe air environments around the United States. That is my first interest in all of this. After that, I am interested in the airport development, but I am interested in providing a safe environment where the flying public whom we levy the tax on is assured that when they pay their money, they are going to get their money's worth.

If they land in Podunk or at Dulles, they are going to land in a safe environment. Where the accidents occur is in the environments around the airports, and that is where the fatalities are.

Mr. **Anderson**. Staff has just pointed out to me that most of the major airports, or many of them, have what we call a majority of interest clause in their contracts with the airlines, saying that they have to get a majority of the airlines to agree with any change in what they charge.

For example, Chicago, in addition to being locked in until 1993, has one of those contracts; Atlanta has one; San Francisco has one; Dallas-Fort Worth has one; Miami has one, and Honolulu has one. So they cannot change anything or raise anything without getting a vote of the airlines themselves, which does not give them the muscle that some people might think they would have.

Again, LAX is out of it and I guess JFK is out of it, so I assume they could handle the problem.

Were you trying to get his attention there for a minute? I have a couple of more questions.

Mr. **Snyder**. Just along the same line, Mr. Chairman, Cincinnati built a new airport a few years ago. Sam, they did not build it with ADAP money, which is in accordance with your thinking. But in order to sell the bonds, they had to have long-term contracts with the airlines—roughly 25 years, I believe—that established the landing fees for that period of time so that the bonds would be marketable.

They cannot go back in now, if they are defederalized, and raise the landing fees. They will have to generate this additional revenue for the operation of the airport from some other source other than landing fees. You know, you are going to be talking about a head tax, for which we are going to have to repeal a law that we put on a while back. You are going to be talking about parking fees, and they are already high enough; perhaps concessions, as you indicated.

Unless you can get to the airline landing fees, you cannot develop enough money to effectively operate a good-sized airport. Cincinnati, for instance, is in the top 72 that is included in the Senate bill for defederalization. I do not think we can wipe out those contracts by Federal law; I think it is a real problem if we do go the defederalization route. I realize it is a problem, and I do not have the answer.

Mr. **Gibbons**. I am not interested in defederalizing them, per se, but perhaps some sliding scale to recognize that every airport——

Mr. **Snyder**. We have a sliding scale on the enplanements. We pay more for the first enplanements than we do for——

Mr. **Gibbons**. Yes.

Mr. **Snyder**. Under the existing law it is $6 and goes down to 50 cents. I think that under our bill, it starts at $6.60 and goes to 55 cents, or 10 percent.

Mr. **Gibbons**. You know, some judicious adjustment of that is probably the best that can be done. We have got to provide a nationwide system of safety, and it is easier to do it where you have large numbers of enplanements than it is at the smaller airports.

Primarily, the airports that lack the basic safety features—grooving, instrument landing systems, visual landing systems, and the latest in the radar control environment—are the smaller and medium-sized airports. They have been overlooked in our rush to build the finer terminal facilities and to build up the larger airports.

Mr. **Snyder**. Thank you.

Mr. **Anderson**. Sam and Henson, do you think we should try to draw down the surplus in the trust fund gradually so as to avoid the need to increase taxes or decrease programs when the surplus runs out?

Mr. **Gibbons**. I think we ought to draw it down slowly, yes, sir.

Mr. **Anderson**. Henson, anytime you want to cut in, go right ahead.

Do you think that it would be desirable to reduce the passenger ticket tax of 8 percent at this time?

Mr. **Gibbons**. Well, I would not support a reduction of it if we can reach the proper understanding about safety. If we cannot, I would be in favor or reducing that tax.

Mr. **Moore**. Those are my sentiments.

Mr. **Anderson**. In H.R. 6721—that is, our committee bill—we have tried to insure that funding for terminals will go only for construction-related movement of passengers and not for artwork.

It seems to me that if funding for terminal development is properly controlled, it can be critically important in relieving congestion and increasing the capacity of the airport system. I would appreciate your comments on these points.

Mr. **Gibbons**. Well, I am glad you have done that, Mr. Chairman. We concur that using the money judiciously for terminal construction, particularly where we have such a job—you know, the 80 hijacking measures that came about from the 1970 legislation have been most successful in this country.

I recognize that it takes more money to construct terminals, realizing that you have got to screen passengers and segregate passengers. So I support the use of some of this money for terminal construction after we have taken care of the safety requirements.

Mr. **Anderson**. Mr. Snyder.

Mr. **Snyder**. Thank you, Mr. Chairman. First let me say that I appreciate very much, as the chairman has indicated, the efforts that your subcommittee has been making to look into these matters and to give us some guidance. I appreciate the fact that you have made yourself available here to help out today and so we can have your views as we attempt to do what is right with the legislation.

I think that the sum and substance of what you have had to say coincides with my belief that our biggest problem has been brought about by the unified budget, which initiated with Mr. Johnson and was confirmed into law by Mr. Nixon in 1969, and then the juggling of the unified budget to use these trust funds for the purpose of making it look like we do not have the deficit that we have.

I have looked into how you change that, and it looks like it is rather complicated. You have to amend the Budget and Accounting Act of 1921, for sure, and the Parliamentarian will not tell you for sure whether you have to go to the Rules Committee to amend our Congressional Budget Act; very likely, you would. When you get down to it, that is the real crux of the problem.

As both of you have so eloquently stated, people have paid this money into a trust fund which has been pledged to certain purposes, and basically it is being held hostage to trying to balance the budget. If we want to balance the budget, we ought to balance it out of the things that are appropriate; in other words, we ought to balance the trust fund, but it ought to be balanced with trust fund figures. And we ought to balance the general budget, and we ought to do that with general revenues and cut expenditures that are appropriate to it.

Our bill is $2.035 billion; that is $500 million over budget, so there we have a problem going in. Of that excess, $175 million is over in ADAP; $175 million is over in facilities and equipment, which is a central part of our discussions this morning, and $150 million is over in the area of noise control.

Does the gentleman have any recommendations as to where we are going to cut if we have to get it down to budget?

Mr. **Gibbons**. I would say first, do not cut safety. That is the compact we have made with the people who have paid the tax. You are going to have to cut the rest of it out of noise and out of ADAP, I guess.

Mr. **Snyder**. Well, that is $175 million and $150 million. If we cut all the excess, that still does not quite get us down to budget. I would say to you that in our discussions in attempting to arrive at a compromise bill that we would introduce on a bipartisan basis, I, for one, was shooting for your $550 million on the facilities and equipment I was shooting for zero on noise too, as the chairman knows.

Mr. **Anderson**. They do not have very much noise in Louisville, except that last night they generated some.

Mr. **Snyder**. I appreciate the gentleman from Los Angeles mentioning that. [Laughter.]

Mr. **Gibbons**. You got your coach from Los Angeles, anyway.

Mr. **Snyder**. I beg your pardon?

Mr. **Gibbons**. Your coach came from Los Angeles.

Mr. **Snyder**. Yes, but he has gone through full adoption proceedings.

Mr. **Anderson**. Somebody had to go down there and tell them how to do it.

Mr. **Snyder**. We will admit that we have drawn the best you have had out of there. [Laughter.]

Mr. **Snyder**. I was interested in your separate observations at the end of your prepared statement, where you mentioned in your summary that National Airport is a dump. The administration, as you probably know, receives a separate appropriation for the purposes of National and Dulles, as opposed to ADAP.

Mr. **Gibbons**. Yes, I understand.

Mr. **Snyder**. Since we already have a fiscal problem with our numbers and the budget, would it not be more appropriate for Mr. Goldschmidt, who says it is a dump, and I am not disagreeing with that, to ask for more dollars for that out of that separate appropriation rather than making it eligible for ADAP?

Mr. **Gibbons**. Well, I do not think we ought to treat the Washington airports, Dulles or National, any differently than we treat the other airports in the Nation. You know, I have looked at both of them and I do not think that the way they function or anything else is any different than the other airports around the Nation function. I think they ought to be able to get their money out of ADAP funds and take their lumps with the rest of them.

Mr. **Snyder**. Again, let me thank you for being here, and I appreciate your contribution.

Mr. **Anderson**. Mr. Levitas.

Mr. **Levitas**. Thank you, Mr. Chairman.

I want to commend you, Sam and Henson, for your interest and leadership in this field. For many years, I have followed the work that your subcommittee has done, and I want you to know that I am very proud of what has occurred as a result of your efforts.

You and I, I think, share a common interest that safety is, first and foremost, the responsibility of FAA, and I do not think they are doing a very good job. I would hope that you might have your subcommittee staff take a look at a GAO report which was just released in February, entitled "How to Improve the Federal Aviation Administration's Ability to Deal with Safety Hazards." I think it is a very informative study.

One of the points you mentioned about the frangible light towers is one of the areas they looked into. In 1970, the flight standards people instituted research on a frangible runway approach light tower. In 1971, the Flight Standards Service recommended that an existing frangible approach tower be used until a new tower could be developed, and pointed out that there were Canadian and European models.

By 1973, we had not developed one, so in 1975 they decided to use the European model that was in existence 3 or 4 years before. It is that type of problem.

I have introduced legislation, Sam, that would take from FAA all responsibilities that do not deal with safety and put them over in DOT, so that they can clearly understand what their mission is at FAA—that is, safety—and so that they do not devote resources or energies to nonsafety matters; let DOT deal with airports as far as development and expansion is concerned, and even noise, and let FAA focus its attention and its looking at the trust fund on safety.

Mr. GIBBONS. That is a good idea, Mr. Levitas; I had not thought of that. I have heard, though, that there are some conflicts of interest in FAA's basic charter; that is, to promote and develop aviation, as well as to provide the safety, and the two are not without conflict.

Mr. LEVITAS. That is right.

Mr. GIBBONS. I have felt that the promotion and development side of FAA has been the more glamorous side and perhaps has gotten the more attention, while safety has not.

Mr. LEVITAS. I think you are right. I think it is human nature, and not of any one administrator or any individual, but it is a lot more fun to give out millions of dollars to folks rather than to make them do something because it promotes the objectives of the agency.

Mr. GIBBONS. That is correct.

Mr. LEVITAS. I think they have spent too much time doing the former rather than the latter.

Mr. GIBBONS. To work with the nitty-gritty of developing this air traffic control system that the Nation needs—now, we have got a good air traffic control system. I am not belittling it, but it could be a lot better, Mr. Levitas, and it needs to be a lot better. With faster planes and more planes in the system—many more planes in the system—I do not think that we have provided for that.

Mr. LEVITAS. Your subcommittee's focusing on the facilities and equipment area, I think, is absolutely correct. I wonder, in your hearings, were you able to get FAA to identify by location and runway those places where they intend to provide funding for ILS's or VASI's?

Mr. GIBBONS. No, sir, we were not. We have a long summary from different agencies, and sometimes from private associations like the pilots association, of what needed to be done from surveys that they had made. If anybody knows the system, it is the pilots; they work with it everyday. They were very forthcoming in telling us what needed to be done and where it needed to be done; they have some very detailed surveys.

Mr. **Levitas**. Henson?

Mr. **Moore**. I would just like to add, if I may, an example. I keep referring back to the airport in Baton Rouge; you talk about the general principles and then you try to find some specific examples. Well, I know about that one, and there may be many others.

We cannot get them to tell us when the ARTS II system is going to come to Baton Rouge. They tell us:

> Yes, it is a superior form of radar; yes, you ought to get it; yes, your airport qualifies for it. But due to fiscal constraints, we have to wait and see where you place on the line-up of the money when it is eventually passed out.

So the point is you cannot find out what airport is going to get anything and when; you do not know until almost the last minute.

Mr. **Levitas**. I am glad you make that point, because we have tried on this subcommittee for several years to get that information. I know there are people from FAA here today, who I hope are listening to what I am about to say. When Mr. Bond comes before this committee in the next few days, I am going to ask the question again.

They come in and say, "We want *x* million dollars for facilities and equipment, and a portion of it is going to be used for precision landing devices." Now, someplace down in the bowels of that agency, there is a GS-7 who has a list of those places where they want to put those precision landing devices.

I am sure Mr. Bond has not seen a copy of it, because those things do not get up that high. I would like to see a copy of it.

Mr. **Moore**. If you take a list of the ILS and the list of the ARTS II and the list for the wind shear and the list for the grooving, and the list for everything else, you are going to come out with a list that totals a great deal more than what they are asking for, and that is why you will not see it.

Mr. **Levitas**. How much surplus is there in the trust fund right now?

Mr. **Moore**. The figures I had that were given to me by the staff were that at the end of this year, there is going to be a surplus in there, uncommitted, of $3.755 billion; at the end of fiscal year 1981, $4.731 billion. There is actually $5 billion in it now, but some of that is committed.

Mr. **Levitas**. Do either of you know whether Congress has refused to appropriate any funds requested by FAA for these purposes? Have we cut them back, Sam?

Mr. **Gibbons**. Our record of appropriations has been spotty. I do not think there has been any substantial cutback. I have appeared before the Appropriations Committee, urging full funding of the FAA's budget on a number of occasions, and even urging them to go over it. I do not recall any time in recent years when the Appropriations Committee has cut it back.

Mr. **Levitas**. That is my recollection.

Mr. **Gibbons**. OMB cuts it back, though.

Mr. **Levitas**. OMB does.

Mr. **Gibbons**. No doubt about that. You cannot get FAA to say that.

Mr. **Moore**. They came pretty close to saying that last year.

Mr. **Gibbons**. You read between the lines and they will tell you, "We are getting some administrative instruction about what our budget ought to be."

Mr. **Levitas**. Well, we understand how that works. They cannot say that OMB did it.

Mr. **Gibbons**. The truth is that we have a very weak trust fund, and I think everything ought to be done to try to strengthen it so that it is not so much at the whim of OMB and at the whim of the Appropriations Committees.

Mr. **Levitas**. That is one of the things that the Chairman and Mr. Snyder are attempting to do in this legislation by linking the funding.

Mr. **Moore**. I think it is a great idea.

The thing that irritates me—if we were told, as is the case with the normal budgetary process, that "Look, there are only *x* amount of dollars out here and there is a great deal more need than there are dollars to cover that need," then we could understand how you have got fiscal constraints and how you have to rank people by need. That is not what is happening with this fund.

Mr. **Levitas**. That is right.

Mr. **Moore**. You have got a great deal of need out there. You have got money sitting in the bank that, at the end of their own requested 5-year authorization bill, will be more than is in there now, and they will not spend it. That is what is irritating me.

Mr. **Levitas**. And it is user tax money that was put in this trust fund for this purpose.

Mr. **Moore**. Exactly.

Mr. **Levitas**. You were talking about the problems that Baton Rouge has in getting this new radar. You folks are well off. I am told that out of the 401 air carrier airports—this is air carrier airports now, not reliever airports and not commuter airports—132 do not have towers at all. Did you know that?

Mr. **Moore**. Well, I did not, but our tower is a very old one, and we had to fight like the devil to get a new one. It was not just bread out of the sky; it seems like we do this everytime something comes along.

Mr. **Levitas**. I just think that is shocking, though.

Mr. **Moore**. I agree with you.

Mr. **Levitas**. 174 air carrier airports do not have radar at all.

Mr. **Gibbons**. They are the small and medium-sized airports.

Mr. **Levitas**. In Atlanta, which I am very proud of, I think we just got $290,000 worth of ADAP money for some beautiful art that you are both going to get a chance to see when you come through that airport.

Mr. **Moore**. We know about that.

Mr. **Anderson**. Before you leave that subject, I am not exactly sure I disagree with you on purchasing safety items separately from ADAP. Yet, at the same time, you raised some questions in my mind.

A runway extension can be very much needed at an airport as a safety item, and yet a runway extension is also airport development. In our congested areas, one of the biggest problems we have is reliever airports, and to me, getting additional reliever airports and getting some of the airplanes off of a congested commercial place is very important. Yet, it is not strictly a safety item; it is airport development.

Removing hazards from a runway approach—trees, or something—we use ADAP funds for that today. It is safety, but it is airport development. Now, if I think strictly of safety versus airport development, your suggestion, in its simplest form, sounds great.

Then I start saying, well, is a reliever airport an airport development or is it a safety item; is runway extension airport development or a safety item? I can go on and on and give you a list, and it makes it very difficult to separate them.

Mr. LEVITAS. I hope we will be able to get into this during the course of these hearings in much more detail. What I propose is that where there are safety-related functions of airport development, that FAA plays a role in the recommending of the apportionment or allocation or obligation of funds from the trust fund for that purpose. There are some gray areas.

What we have endeavored to do in the legislation is place the primary responsibility for making that determination, in the first instance, at the Secretarial level in the Department of Transportation, and then take those which are clearly safety and leave them in FAA, and move those which are clearly not safety over to DOT, and then deal with the gray areas on a case-by-case basis.

Mr. ANDERSON. For example, Henson a moment ago mentioned his airport, where they did not groove the runway, but fixed a ditch at the end of the runway. Had they grooved the runway and somebody ran into the ditch, there would have been the question, "Why did you not fix the ditch first?"

Mr. LEVITAS. They should have done both.

Mr. MOORE. They both needed to be fixed, and fiscal constraints prevented it.

Mr. LEVITAS. And there is $3 billion in the trust fund.

Mr. ANDERSON. In my mind, semantically, the grooving is safety; the ditch is development. So it is kind of hard to separate the two.

Mr. LEVITAS. Let me ask you another question. In your hearings, did you get into the question of the commuter airports?

You know, now that we have gone to deregulation and we have to rely tremendously on replacement service by commuters, I am told that 68 percent of all commuter airports have no precision landing equipment. Did that come out at all in your hearings?

Mr. GIBBONS. We had a hearing on commuter airports; we would be glad to provide a quick summary on that. It is my impression, though, that commuter airports are generally pretty miserably equipped as far as safety is concerned.

No one ever anticipated that air traffic would increase at the rate at which it has increased, and perhaps will increase. It has become a common carrier for most of the people of our country.

With the demise of our railroads and the high cost of individual transportation, the airports, the airlines, and commuter airlines are now places where the average American is going to find his form of common carriage; much more so in this very large and spreadout country that we are privileged to occupy than in most of the smaller countries of the world. We just have not prepared for that.

The first thing we must do is build the airports, the landing strips, and the parking facilities for the planes, and provide, at the same time, an adequate safety net in the environment of the airport and between the airports to control this very large increase in traffic that we are going to have and we are having today.

Mr. LEVITAS. One last point, Sam, and it is one that I tend to disagree with you on, and that relates to the defederalization question.

If the user tax continues to be the source of funding for ADAP at whatever level, then it does not seem fair to me to say that a certain proportion of users, and particularly those that are providing the most funding into the trust fund—those who use the 72 largest airports as their primary point of origination—should be deprived of the benefits of that trust fund.

I guess it is a question of, why tax the people who get on in Tampa or Atlanta or Los Angeles and then say that none of that money can come back to their airports. There may be a more equitable approach, but it just troubles me.

Mr. GIBBONS. I do not support the defederalization of airports, and I realize that that is not a clear part of my statement. I do not think the committee supports the defederalization of airports, and that is who I purport to speak for.

I think that in the scheme of things, the larger airports are better able to stand on their own feet as far as safety is concerned and as far as facilities and equipment are concerned, and as far as terminal development or airport development is concerned.

There are parking fees, concessions, landing fees, and everything else that are available to them that are not available at the smaller and intermediate airports. In your Solomon-like decisionmaking, I think you are going to have to spread that around.

What we need is a common, U.S.-wide system of servicing our traveling public, and I think that the larger airports are going to have to help out the smaller and intermediate-sized airports.

Mr. LEVITAS. Thank you very much.

Mr. ANDERSON. Mr. Hammerschmidt.

Mr. HAMMERSCHMIDT. Thank you, Mr. Chairman.

Gentlemen, we really appreciate your valuable time and patience here this morning. You can tell that this committee is very interested in your knowledge and the expertise you developed through your own hearings.

I am going to be very brief. I want to get into a subject matter that I do not think has been touched on this morning, and that is general aviation. I wondered if, in your hearings, you came to the conclusion or consensus that some people are espousing.

The administration proposal seemed to indicate that general aviation is getting a free ride. Do you agree with that, or do you have any comments on that?

Mr. GIBBONS. Well, I am speaking for myself alone now, and not for the committee. We had hearings on general aviation, but unfortunately I was out of the country when the hearings were held and did not get a chance to participate in them.

There are all kinds of arguments that general aviation is not paying its fair share of the cost. We have not had hearings in the Ways and Means Committee on that particular subject, though.

Mr. Hammerschmidt, before we would proceed to levy any tax, we would call hearings on that subject and have all of the aviation community come in, and the administration come in, and tell their stories.

Mr. **Hammerschmidt**. I appreciate that response. Henson?

Mr. **Moore**. When Mr. Bond testified recently before our committee, that point came up again; that the administration would like to see general aviation pay more of its fair share of the cost of FAA and operating airports. I never could address my attention to the merits of what he was saying, due to the demerits of the current situation involving the airport trust fund.

In other words, I am not even going to consider voting for an increase in tax on any form of aviation to put into that fund or any other fund as long as it is being spent improperly. That is the only point I made, and I really had not gotten beyond that and do not intend to until we see some change in direction in that.

Mr. **Hammerschmidt**. In other words, as I understand both of your responses, they have to keep good faith with the trust fund, and the word "trust" was put in there purposefully, I am sure.

Mr. **Gibbons**. That is right.

Mr. **Moore**. Let me expand one moment further, if I can, about the lack of good faith which my chairman has pointed out so many times and which is so accurate.

Mr. **Hammerschmidt**. Please do.

Mr. **Moore**. We had a meeting in his office off the record with OMB and with FAA after our first battery of hearings about a year ago, and I never will forget that. I was assured by the OMB official—the FAA fellow sat quietly, but I was assured by OMB that there was not one single necessary project that was really needed and that was not being funded.

In my ignorance, I sat there then, but I am a little bit wiser now after all these hearings. That is why I am showing you the Baton Rouge Airport; I am showing you one example where that is absolutely not true. They have not only broken the faith with the people, but with me.

So I personally have no intention of voting for any taxes on aviation until that is changed.

Mr. **Hammerschmidt**. Well, let me shift gears briefly over to the overall funding, especially for facilities and equipment. Of course, your committee and our committee are considerably higher than the budget request. We have another round of cuts coming from the President, and we do not know what they are yet. If he treats it the way I understand he is going to treat the highway trust fund, he is going to ask for an overall cut of expenditures or outlays out of the trust fund, then he is going to say to the authorizing and taxing committees, "You decide where to make those cuts."

If that is what occurs, I gather from your testimony, and particularly from what Mr. Gibbons says, facilities and equipment remains a top priority and that you would fight against any spending cuts in that particular area before you would fight against any other cuts.

Mr. **Gibbons**. That is right.

Mr. **Moore**. Yes.

Mr. **Anderson**. Mr. Fary?

Mr. **Gibbons**. May I just mention one thing?

Mr. **Anderson**. Sure.

Mr. **Gibbons**. Mr. Hammerschmidt has just mentioned the highway trust fund. We have real problems in that, and I want you to know that we on the Ways and Means Committee want to work with your committee on this program and on the highway program, because we realize we have got to work together.

The highway trust fund is in serious condition because of what we did with gasohol and the windfall profits tax. Mr. Chairman, I hate to get off on this, but the testimony is that we do not even have enough money in the highway trust fund to take care of the roads we have already gotten built and to just keep them in repair, much less talking about building any new roads.

So I think that your committee and your subcommittee and our committee and our subcommittee have got real problems ahead of us this year in trying to finance the things that are necessary in America.

Mr. **Anderson**. Mr. Fary?

Mr. **Fary**. I have no questions of the distinguished gentleman, Mr. Chairman.

Mr. **Anderson**. Mr. Hefner?

Mr. **Hefner**. No questions.

Mr. **Anderson**. Ms. Ferraro?

Ms. **Ferraro**. No questions.

Mr. **Anderson**. Thank you very much, Henson and Sam, for coming. It was a very excellent presentation.

Next, we have the gentleman from Orlando, the distinguished Bill Nelson, Congressman from Florida, who has been waiting all this time.

Bill, the full text of your prepared statement will appear in the record at this point.

[Statement referred to follows:]

STATEMENT OF THE HONORABLE BILL NELSON

Mr. Chairman, I appreciate having the opportunity to come before this Subcommittee today to express my support of H. R. 6721, the Airport and Airway Improvement Act of 1980.

We are all aware of the tremendous surplus which has been accumulating in the ADAP Trust Fund and the need for reauthorization of expenditures from that fund. This legislation is far superior to the bill passed by the Senate in several respects and I wish to point out some particular differences which are of importance to my district in Florida, which includes the Orlando International Airport.

The Senate legislation redirects the federal effort toward smaller airports, which I do not oppose in principle. However, in doing so, it fails to recognize that larger airports may have particular needs which necessitate the continuation of ADAP eligibility. A case in point is Orlando.

Orlando was severely impacted by the deregulation of the airlines -- as much as any airport in the country. The number of carriers serving Orlando more than doubled almost immediately. As a result of this impact, Orlando is in the midst of an airport expansion project to meet the needs of the new carriers. To deny Orlando access to ADAP assistance, both enplanements and discretionary funds, at such a critical time is to neglect the federal government's responsibility for assisting in the resolution of a "traffic problem" caused in substantial measure by a government act.

I believe the Anderson Bill is much more equitable. It recognizes the needs of all airports and recognizes that all passengers are supporting the trust fund. It also recognizes the need for improved FAA radar and improved instrumentation at smaller airports. Also, for the first time, it provides new enplanement entitlements for hub airports and their surrounding airports for joint planning for more coordinated air service.

On the whole, Mr. Chairman, this bill recognizes the needs of all airports, provides reasonable funding levels which will still allow a reduction in the passenger tax if that should prove wise, and will begin reducing the massive surplus in the ADAP trust fund. I urge passage of this bill.

Thank you, Mr. Chairman.

Mr. **Anderson**. Please proceed.

TESTIMONY OF HON. BILL NELSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. **Nelson**. Mr. Chairman, since you have my written statement, I will just talk straight to you instead of reading from my prepared text.

First of all, I endorse the approach that you have in this bill. I significantly endorse it when it is compared to the Senate approach, and although I am not opposed to the concept of defederalization, I think that several inequities would result if we suddenly imposed mandatory defederalization on 72 major airports across the country.

An example is in my district—the Orlando International Airport, which has been impacted with a rapid rise in traffic as a result of tourists going to that part of the world. Because of that and because of the deregulation of the airlines, a considerable bit of expansion of that airport is now required.

Under the Cannon bill, for this now to be an ineligible airport for ADAP funds would seem to me to be an inequity and not what we really ought to do in prudent planning for the operation of our airports and for construction of major expansions. I wanted to state that, Mr. Chairman.

Second, I did not come here to mention this today, but as a member of the Budget Committee and having just marked up the budget in committee I will note that if this budget ultimately prevails in the conference, there is a portion which suggests that the operations and management of FAA be funded from the ADAP trust fund. That is merely a recommendation from the Budget Committee. You are the authorizing committee, and as such will have to make that determination.

Another recommendation coming from this particular Budget Committee proposal is that user fees for general aviation be increased so that there is not that much drain on the Treasury vis-a-vis general aviation as compared to commercial aviation.

Those are the comments that I wanted to share with you, Mr. Chairman.

Mr. **Anderson**. Thank you very much, Bill.

Will the development at Orlando involve both runway and terminal expansion, and what are the estimated costs of these projects?

Mr. **Nelson**. Well, if two diagonal runways are built, it is approximately $120 million; that is land cost, engineering, drainage, et cetera, plus the building of the runways. The airport terminal building is going to be a project somewhere in the neighborhood of about $275 to $280 million. That construction is now underway.

Mr. **Anderson**. What are the prospects of funding the necessary development at Orlando if the airport is made ineligible for ADAP funds and the project would have to be funded by increased charges to the airlines?

Mr. **Nelson**. Well, I think it would be difficult. I think that the airlines can pick up some of the cost, as, in fact, they are the guarantors of the bonds that have already been floated—$125 million issue on the first part of the construction of the terminal.

But I think that it would be highly difficult to get the airlines to be the guarantors for the construction needed for the entire airport expansion, including the two diagonal runways.

Mr. **Anderson**. Do you have any opinion as to how much the Trust Fund surplus should be drawn down? In other words, we will have a $3.5 billion surplus at the end of fiscal year 1980. How much of the surplus should we plan to retain by the end of fiscal year 1985?

Mr. **Nelson**. Mr. Chairman, let me answer your question this way. I have just gone through an experience last Thursday night which ended at midnight that was one of the most interesting experiences I have had, and although it was not difficult for me, it was very painfully difficult for other members of the Budget Committee. We had to find $17 billion of cuts from the President's recommendations in January.

As a result, I think it is absolutely mandatory for Members of Congress to find every available spending cut that we can.

Therefore, the answer to your question from me would be yes, you ought to draw it down, and I would draw it down to exactly what you need, plus a certain percentage for reserve to give you some cushion.

Mr. **Anderson**. Do you think the 8-percent ticket tax should be reduced at this time?

Mr. **Nelson**. If you can operate the fund and still have what you need and draw it down to, say, a 5-percent tax, then yes, I would support that. It is my understanding that that is the percentage in your bill.

Mr. **Anderson**. Your being on the Budget Committee, I thought I might just show you the problem that we have. We are told that our bill is $500 million over budget; $175 million in ADAP, $175 million in facilities and equipment, and $150 million in noise. But when you take a look at the budget of the administration on operations and management, ours was $325 last year and we have raised it to $400 million, but the Administration is asking for $1.3 billion for operations and management.

We felt that our increase from $325 to $400 million was a relatively correct approach in increasing the amount for operation and maintenance. They want to go up $900 million in operations and management alone. So this is where we start; they want to knock out not only our $500 million that we feel is relatively modest and conservative, but they want to shift practically all of it to operations and management—almost $1 billion worth.

I hope that you are fully aware of this when you are in the Budget Committee and that you will kind of fight for us a little bit. Do you want to comment on that?

Mr. **Nelson**. Yes, sir. Those are the President's recommendations as of January 28 that you are speaking of. Hopefully, next week he is going to come out with the recommended changes, and that may be one of the areas that he will recommend a change in. I do not know that, though, so I am not speaking with any inside information.

Mr. **Anderson**. When you see the President, will you give him our thoughts on this.

Mr. **Nelson**. Yes, sir, I will tell him, Mr. Chairman.

Mr. ANDERSON. Mr. Hammerschmidt?

Mr. HAMMERSCHMIDT. Thank you, Mr. Chairman. I am not quite sure what you have covered here. I want to thank our distinguished colleague for being a witness here this morning.

I would like to ask if you would be in favor of a head tax if Orlando were placed under defederalization.

Mr. NELSON. Well, I am not in favor of a head tax if you are going to add that on top of an 8-percent tax on a ticket. However, were the Cannon bill to become law and those 72 airports suddenly found themselves without access to ADAP funds, then some kind of financing would have to be arranged for the vast expansion that is happening to airports like Orlando which have had increased traffic as a result of a governmental act; that is, deregulation. I do not know whether that would be an appropriate way to look at it under those circumstances or not.

Mr. HAMMERSCHMIDT. With all of the airlines clamoring to get into Orlando, would that particular airport not be in a good leverage position vis-a-vis defederalization?

Mr. NELSON. You can make that argument, but you also have to understand the kind of dollars that are going to have to go into that airport to accommodate its expansion. It is basically expanding from a cowshed; that is basically what the terminal used to be.

Mr. HAMMERSCHMIDT. I looked over your testimony earlier while we were sitting here, and I noticed that you say the funding levels are reasonable. Do you plan to support those levels even if the President opposes them?

Mr. NELSON. I cannot commit to you on the levels at this point.

Mr. HAMMERSCHMIDT. Thank you very much.

Mr. ANDERSON. Mr. Levitas?

Mr. LEVITAS. Thank you, Mr. Chairman.

I gather, Bill, that you and I are in agreement on this point about defederalization, for reasons which you have stated as well as those which I have alluded to.

Let me ask you this. On the question about the user tax being reduced to some level and the makeup of this loss revenue to Orlando or other airports results in increased landing charges or leases to the air carriers, are you not just simply passing that on to the consumer in another way?

Mr. NELSON. Yes.

Mr. LEVITAS. Somebody has to pay for it at some point.

Mr. NELSON. Right. Elliott, I recall an earlier part of the conversation with Chairman Gibbons when Chairman Anderson pointed out that there are agreements in certain airports over a certain number of years where they cannot raise those landing fees; they have already got a locked-in agreement.

Now, there is something in the back of my mind that has seen something about a 30-year agreement with regard to the Orlando Airport. That being the case, it would just be extremely difficult to finance the airport expansion.

Mr. LEVITAS. It has been testified to earlier today about the increase for general aviation taxes that would go into the trust fund. At the same time, there was discussion about reducing the 8-percent surcharge on passenger tickets; there has even been some discussion about the waybills.

Why should we add more tax to the trust fund if we are not spending what we have got now?

Mr. NELSON. Well, as I have replied to a previous question, I do not necessarily think that we should, and I take issue with the Budget Committee on this. The Budget Committee is assuming that you continue the 8-percent tax, so I do not necessarily agree with that, Mr. Levitas.

Mr. LEVITAS. There are some of us who harbor a suspicion that the reason the trust fund is not being used is because OMB—not just this OMB, but it and its predecessors—have looked at the trust fund as a means of helping balance the budget on paper.

Did you get into any of that discussion in the Budget Committee when you were considering this area?

Mr. NELSON. Well, had it been a theory for previous years, they certainly were not very successful in balancing the budget.

First of all, let me say that I do not think that it should be used to balance the budget. Second, let me say that that committee mark that Bob Giaimo produced and that the committee passed last Thursday night is a legitimately balanced budget of close to $17 billion in spending cuts, instead of trying to raise revenues to balance the budget.

Third, let me say that even though the ADAP Trust Fund under this budget is still assumed to be at the level with the 8 percent funding, I think we ought to bring it on down—and that is my own personal opinion—so that nowhere in the future, at a time when you and I might not be here, Mr. Levitas, can anyone try to pull any kind of fiscal sleight of hand by wanting to balance with the surplus in a trust fund, be it this one or be it whatever other trust fund.

Mr. LEVITAS. I think that is a very good point, and we are talking about it now in the context of ADAP. But it seems to me that trust funds supplied by user taxes occupy a different role in our budget than the general revenues and the expenditures from general revenues.

People who bought gasoline and put it into the highway trust fund did not do so with the view of funding tax cuts for businesses and individuals; they did not put it in to provide food stamps or medicaid. It was to build the highways; that was the tradeoff. The same is true in the trust fund for the ADAP program.

Mr. HAMMERSCHMIDT. Would the gentleman yield?

Mr. LEVITAS. I would be happy to yield.

Mr. HAMMERSCHMIDT. I wanted to ask a member of the Budget Committee, if all the trust funds were removed from the budget process and we went back to the old budget procedures that were used before the unified budget, would we indeed have a balanced budget?

Mr. NELSON. Well, I think that ought to be an option that we ought to explore. Besides ADAP, there is the question of the social security trust fund.

Mr. HAMMERSCHMIDT. My understanding is that there would be $40 or $50 billion out of the budget if that were done.

Mr. NELSON. I do not know those figures, but if you are talking about fiscal integrity, that ought to be one option that we certainly ought to be looking at, and that sort of discussion has already started occurring on the Budget Committee.

Mr. **Hammerschmidt**. Thank you very much. Thank you for yielding.

Mr. **Levitas**. Well, I certainly commend your position on this. I think there has been too much jockeying of figures and playing numbers games in talking about balancing the budget.

For example, the leases that the Federal Government signs for long-term leasing of public space, aggregates today to about $2.5 billion—the fixed obligation does not appear as a debt of the Federal Government in the budget.

Thank you very much, Mr. Chairman.

Mr. **Anderson**. Mr. Hefner?

Mr. **Hefner**. No questions.

Mr. **Anderson**. Ms. Ferraro?

Ms. **Ferraro**. No questions.

Mr. **Anderson**. Mr. Snyder?

Mr. **Snyder**. No questions.

Mr. **Anderson**. Thank you very much, Bill, for an excellent presentation. We are sorry we kept you so late.

Mr. **Nelson**. I appreciate this opportunity to testify, and I appreciated my private conversations with you prior to this. Thank you.

Mr. **Anderson**. Our next witness is the director of the medical office of JFK Airport, plus the chief of the department of surgery, New York Medical College; the staff coordinator for the rescue and fire technical committee, Air Line Pilots Association; and the operations service coordinator for British Airways. We will have them come at this time.

To handle the introduction properly, I am going to ask Ms. Ferraro to introduce Dr. Star. Would the gentlemen come up and take their places at the witness table?

Ms. **Ferraro**. Thank you, Mr. Chairman.

I am pleased to welcome Dr. Leon Star to the subcommittee hearing. For 30 years Dr. Star has been director of medical services at JFK Airport. During that time he has become an internationally recognized expert in the field of airport medical care, particularly with respect to air disasters.

As a specialist in surgery and preventive medicine, and an accomplished pilot, Dr. Star is in a unique position to suggest new ideas in airport medical services.

I am sure the members of this subcommittee will find his testimony interesting and informative.

The full text of your prepared statements will appear in the record at this point.

[Statements referred to follow:]

March 25, 1980

Statement of Leon D. Star, M.D., F.A.C.S.

Before Committee of Public Works and Transportation

(Sub-Committee on Aviation)

SUBJECT: Provisions for Mass Casualties at Airports as outlined
in the Airport and Airway Development Act of 1980, H.R. 6721

LEON D. STAR, M.D., FACS
DIRECTOR
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A NEW CONCEPT IN MASS DISASTER PLANNING AT AIRPORTS

A disaster resulting from a runaway collision between a 747 with 400 passengers and a DC-10 carrying 370 can result in literally hundreds of survivors with widely varying injuries. Such an incident is certainly NOT imaginative. In 1958 two multi-engine aircraft, one a freighter and the other a scheduled airline about to board 130 passengers, were engulfed in flames when the freighter lost control on take-off, striking the passenger plane on the ramp. In todays reference such an incident involving two jumbo jets with their greater passenger load could produce mind-boggling casualties.

"Black Sunday" at Tenerife focused world-wide attention on the need for more adequate handling of aircrashes at both large and small airports. With more than 500 deaths in one "incident" the time has long passed for administrative foot dragging. To make the matter even more urgent are recently disclosed plans to double deck jumbo jets such as the 747 increasing their capacity to 700 passengers per plane.

The purpose of this paper is to describe a new piece of equipment which for want of a better word, we will call "The Emergency Mobile Hospital". The vehicle is 18' high (2 floors) 60' X 12' self propelled, containing an Operating Room, Burn Unit, Intensive Care Unit and Special Care Unit. It has a 50-bed capacity with monitors to each patient in the Intensive Care Unit section. This unit is stationed at the JFK Medical Office ready to roll at all times.

Five major hospitals are incorporated into the John F. Kennedy International Airport Disaster Plan. At the signal of a crash, predesignated specialist trauma teams assemble at each hospital to be airlifted by helicopter to the airport. The hospitals so designated, each have an on-site helipad or a landing area nearby. Helicopters for this purpose are prearranged from several sources: New York City Police, New York Airways, U. S. Coast Guard, U. S. Army and private helicopter companies.

The JFK Medical Office, physically manned 24 hours a day with a medical staff of 60, serves as the initial medical command post.

Dispatching of arriving trauma units to the scene are the responsibility of the Medical Director or his deputy, operating initially from the JFK Medical Building. Radio communication is maintained between the scene and the Medical Building for proper disposition of personnel and equipment.

Since an overwhelming number of injuries may be assumed in the kind of disaster under discussion, it is obvious that hospitals even in a city the size of New York would experience tremendous difficulty in providing immediate definitive care.

The responding specialist trauma teams are dispatched to the scene of the disaster. Definitive life saving emergency operative treatments begin in the Mobile Emergency Hospital including such emergency procedures as Thoracotomies, Tracheostomies, Laparotomies, Cranial burr holes, etc.

Utilizing the Mobile Emergency Hospital it will be possible to treat and care for some injuries for periods of hours to a day or more, resulting in adequate stabilization prior to evacuation to the proper hospitals as beds become available. The triage will be done by physician teams. A severe burn case sent to a pediatric or geriatric hospital can be a disaster in its own right.

While triage and treatment are initiated and implemented, the Medical Director determines the number of injuries. Hospitals within the JFK Plan, some as distant as 100 miles provide information regarding numbers of available beds in categories; i.e. Burns, Fractures, Neurosurgical, etc. Evacuation to these centers is made only after the patient has been stabilized -- SHOCK-TREATED, HEMORRHAGE-CONTROLLED. Transportation can be accomplished by helicopter or ambulance depending upon road and traffic conditions. There is NO excuse for a shock victim expiring enroute to a hospital in an ambulance trapped in traffic.

The same principles of immobilization, stabilization and evacuation may be applied to smaller airports in RURAL communities. A modification of the Mobile Hospital can be utilized by these airports for use both on the airport and in surrounding areas in a major disaster. Modularized units the size now being used on container cargo carriers (ships, trains, trucks) 40' X 8' X 8', capable of being utilized singly or in tandem are obtainable. Medical Facilities within the container include an operating room, burn facilities, general surgical beds, etc. They may be lifted by helicopter and deposited half way up a mountain or on a remote beach. It can be carried in a 747 or Hercules Cargo plane for hundreds of miles when so needed. They are road mobile at 90 kilometers per hour by simply hitching each to a truck cab. WE MUST CONSIDER BRINGING THE HOSPITALS TO THE EMERGENCY INSTEAD OF THE EMERGENCY TO THE HOSPITAL, AS TOO FREQUENTLY THE PATIENT EXPIRES ENROUTE DUE TO LACK OF PROPER TREATMENT AND STABILIZATION PRIOR TO EVACUATION. The principle of assembling trauma teams for the initial phase remains the same as that for Kennedy Airport. PREARRANGED teams can be flown to the scene from urban centers to stabilize the patients at the crash site, again avoiding the spectre of unnecessary deaths by panic evacuation to general hospitals without proper stabilization and treatment prior to movement.

SUMMARY:

1) A new type of field equipment has been devised called the Mobile Emergency Hospital.

2) A plan is submitted whereby airports, both in proximity to major cities, as well as those in rural areas without major medical support, could handle large numbers of air disaster casualties by applying the principles of mobilization, stabilization and evacuation.

3) This plan does not limit itself to air disasters -- it is as readily applicable for the care of victims of flood, tornado, hurricane, earthquakes, railroad accidents and war.

In the United States, it is conceivable that financial support for such a plan for airports and communities may be available from Federal sources as provided in the Airport and Airway Development Act of 1980, H. R. 6721.

For purposes of obtaining further details regarding the concept, the enclosed documents may be helpful to each committee member.

The material presented is a result of 30 years involvement with 22 aircraft disasters at one of the busiest airports in the world.

Respectfully submitted,

CURRICULUM VITAE

Leon D. Star, M.D., FACS

B.A. 1937 Rutgers University

M.D. 1941 Long Island College of Medicine

Intern Mount Sinai Hospital	1941 - 1942
Junior Assistant Resident, Assistant Resident, Chief Resident, Surgery Ward Service, Mount Sinai Hospital, New York City	1946 - 1948
Assistant Attending, Surgical Service	1950 - 1960

Diplomat of the American Board of Surgery

Diplomat of National Board of Medical Examiners

Diplomat of the American Board of Preventive Medicine

Fellow of the American College of Surgeons

Fellow of the International College of Surgeons

Member of Aerospace Medical Association

Member of New York Academy of Medicine, New York Society for Thoracic Surgery, American Medical Association, Queens County Medical Society

Member Flying Physicians Association

Member Civil Aviation Medical Association

U. S. Navy, Active Duty	1942 - 1946
Graduate of Naval School of Aviation Medicine	1942
U. S. N. Surgeon - Amphibious Forces, North Africa Invasion	1942
U. S. N. Flight Surgeon serving aboard aircraft carriers, Pacific Theatre, World War II	1942 - 1946
Active Naval Service (Assistant Chief and Acting Chief of General Surgery, St. Albans Naval Hospital) Korean War	1950 - 1951
Naval Civilian Consultant in Cardio-Vascular Surgery, St. Albans Naval Hospital, [illegible] Medical Corps, [illegible]	[illegible]

Pilot, single and multi-engine instruments

Senior Aviation Examiner, FAA rating

Designated Physician, Advisor, U.S. Public Health

Director and Physician-in-Charge of the Medical Office, Kennedy International Airport, Jamaica, New York

Chairman, Kennedy Disaster Unit, Kennedy International Airport, Jamaica, New York	
Chairman, Sub-Committee on International Quarantine, Airport Medical Services and Flight Sanitation	1968 - 1970
Chairman, Safety and Health Committee, Aerospace Medical Association	1968 - 1970
Co-Chairman, Human Rights Committee State Civil Service Union	1973 - 1976
Affiliate of President Ford's Committee on Mass Disaster Planning (Aviation)	1975 - 1976
Report of the National Health Resources Advisory Committee Meeting on Airport/ Community Emergency Medical Preparedness. General Services Administration. Federal Preparedness Agency	October 16-17, 1975
Appointed by Governor Carey to the seven member Planning Commission for the Establishment of a Public Medical School in Queens	1976
Chairman, Sub-Committee on Health Resources in Queens County to the State Commission for the Establishment of Public Medical School in Queens	1976
Presidential Committee Meeting, New York International Hotel, Chairman on Discussion regarding Planning of Mass Disasters (Airports)	1976

Lecturer at Seminars in United States and abroad on Mass Disaster Planning, Airports:

International Congress of Aerospace Medicine, Helsinki, Finland	September, 1977
American Medical Association Commission on Emergency Medical Services, Chicago, Illinois	September, 1978
International Congress of Aerospace Medicine, London, England	September, 1978
Michigan Airport Disaster Exercise, Detroit, Michigan	September 29, 1978
Danish Flight Safety Council, Copenhagen, Denmark	December 18, 1978
State of California, Office of Emergency Services	January 15, 1980

HOSPITAL AFFILIATIONS:

1. Director of Surgery, Peninsula Hospital Center, Far Rockaway, New York	Emeritus
2. Surgical privileges, Mount Sinai Hospital, New York, New York	
3. Attending Surgeon, Long Island Jewish Hospital, South Shore Division, Far Rockaway, New York	1965 - 1970
4. Director of Surgery, Creedmoor State Hospital, Queens Village, New York	1973 - 1976
5. Associate Clinical Professor of Surgery, New York Medical College	January, 1979
6. Clinical Associate Professor of Surgery in the School of Medicine of the Health Sciences Center at the State University of New York at Stony Brook	April, 1979

PUBLICATIONS:

Penicillin in the Treatment of Peritonitis Aboard Ship -- Navy Medical Bulletin 1944

Navy Survival Equipment for Pilots -- Navy Bulletin, Personnel 1945

A Simple Method of Establishing a Blood Bank on Ships of the Fleet -- The Military Surgeon 1948

Fracture Dislocation of the Fifth Cervical Vertebrae -- American Journal of Surgeons 1945

Priorities in Transportation and Treatment in the Event of a Major Civil Disaster -- New York Physician December, 1952

Late Results of Surgical Treatment of Patent Ductus Aerteriosis with Dr. Arthur Touroff, New York State Medical Journal 1961

Ten Year Experience in Hearing Problems at Kennedy International Airport -- Leon D. Star, M.D. and Louis C. Abelson, M.D. 1967

A Survey of Pre-Flight, Post-Flight and In-Flight Deaths at Kennedy International Airport -- Leon D. Star, M.D. and Louis C. Abelson, M.D. 1966

Twenty Years of Medical Support in Aircraft Disasters at Kennedy International Airport, Leon D. Star, M.D. and Louis C. Abelson, M.D. 1973

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A New Concept in Mass Disaster Planning at Airports -- Leon D. Star, M.D. and Louis C. Abelson, M.D. 1977

Frost Bite in Korean Casualties -- Navy Bulletin

Relationship of Infectious Mononucleosis to Leukemia (DeVillers Foundation)

Lectures on Medical Problems in Space Travel -- Queens County Medical Society
Kings County Medical Society
Broome County Medical Society
Downstate Medical College

Discussion - California Medical Association, Los Angeles, California The Rise of Medicine in Aviation Safety 1970

Discussion - Aerospace Medical Association, St. Louis, Missouri Medical Disaster Discussion April, 1970

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Office of the Chairman of Surgery

November 13, 1979

Mr. Peter Goldmark
Executive Director
Port Authority of
  New York and New Jersey
One World Trade Center
New York, New York 10048

Dear Mr. Goldmark:

I am writing to enlist your support for what I believe to be one of the mos innovative advances in mass disaster management of the past decade. At the last two yearly disaster drills held at J. F. Kennedy Airport, Dr. Leon D. Star demonstrated the effectiveness of his mobile emergency hospitals. The concept is to stabilize the critically injured at the site using these remarkable vehicl which contain a fully equipped operating room and intensive care facilities for 50 patients. Trauma surgeons from area hospitals are airlifted to the scene by small helicopters and fixed wing aircraft. These trauma specialists are volu- teers from the faculties of New York Medical College, State University of New York at Stony Brook and New Jersey Medical School (see enclosed Red Alert Plan).

It had been Dr. Star's experience that because of traffic problems followin real disasters ambulance evacuation was frequently delayed. Resuscitation at the scene using good equipment can save many lives and reduce ultimate disability. Dr. Star has managed to get this program off the ground through sheer force of willpower without any public funds. I think the time has come for the Port Authority and the three medical schools involved to apply for support from the Federal Aviation Agency's Airport and Airways Development Trust Fund. This fund was mandated to improve air safety and reduce loss of life in case of disasters. The program should be coordinated to include all of the airports and expanded to improve the equipment so that it could be airlifted to the sites of other disasters in the metropolitan area.

If you have any question regarding the need for this approach, I suggest that you consult with the most prestigious international society for disaster planning, The Club of Mainz. I have enclosed a copy of an article by Dr. Rudolf Frey, the director of the Club of Mainz.

Dr. Harry Soroff and Dr. Benjamin Rush, the chairmen of surgery at the othe two schools, and I would be happy to help with the application.

Sincerely,

Louis R. M. Del Guercio, M. D.
Professor and Chairman

LRMDG/ad

Direct Transfer to Operating Room Improves Care of Trauma Patients

A Simple, Economically Feasible Plan for Large Hospitals

Ronald P. Fischer, MD, PhD; Suzanne Jelense, MD; John F. Perry, Jr, MD, PhD

• As evidenced in a nine-year experience with more than 4,000 patients, the operating room is an ideal receiving area for severely injured patients. This system, which reduces mortality, morbidity, and suffering incurred by severely injured patients, is both feasible and economical for many large metropolitan hospitals.

(*JAMA* 240:1731-1732, 1978)

INEPT resuscitation and delays in diagnosis and treatment substantially contribute to the mortality and morbidity of severely injured patients. Care of such patients, who constitute only 1% of the average emergency department patient load, often strains the facilities and staff so much that patients with nonemergent illnesses or injuries are consigned to considerable delays or, worse, to superficial examination and treatment. One solution to this problem is early separation of severely injured patients from other emergency department patients.

See also p 1723.

To accomplish this, many centers have established separate trauma receiving units. However, even when the necessary equipment, facilities, and nursing personnel are available in such units, few of them receive enough trauma patients to justify continuous staffing with seasoned surgeons.

In 1963 and in 1966, Noer[1,2] reported the experience at the Louisville General Hospital, where critically injured patients were transported immediately to the operating room. He believed that this approach, which bypassed the emergency department, saved lives as well as relieved the hospital's overburdened emergency department.

The St Paul-Ramsey Hospital, which is a primary trauma center for the 700,000 people of St Paul and surrounding counties, receives an average of 450 severely injured patients yearly. Before 1968, in an attempt to improve care of seriously injured patients, we maintained a separate trauma receiving unit in the emergency department that was staffed continuously by surgical residents and specially trained nurses. Our experience proved this system uneconomical, and, more important, unacceptable delays between admission and definitive operative treatment persisted. For these reasons we began in 1968 to bring severely injured patients directly to an operating room.

This report describes our current system of resuscitation and examination of seriously injured patients in the operating room, presents the economic advantages of the system, and suggests that it has improved the quality of care of such patients.

TRANSFER OF PATIENTS

All severely injured patients and all injured patients in whom the need for an operative procedure is obvious are transported to the operating room after triage by the emergency department staff. As soon as it is determined that a patient will be transferred to the operating room, a coded public address announcement summons the surgical staff and an x-ray technician to the operating room. In truly exigent cases, the patient is transported directly from the ambulance to the operating room. No attempt is made to maintain a clean environment during transfer. The emergency department staff, ambulance attendants, and physician's assistants transport the patient onto the operating table. Normotensive patients with less-emergent injuries receive an initial cursory examination in the emergency department before transfer. However, their definitive examination and essentially all resuscitative measures are performed in the operating room.

TRAUMA RECEIVING ROOM

The trauma receiving room is used only for severely injured patients. When it is in use, another operating room is designated as the trauma receiving room and is kept available for this purpose. On several occasions we have used five of our ten operating rooms simultaneously as trauma receiving rooms. Obviously, when simultaneous emergencies occur during the evening or night shifts, additional operating room personnel must be summoned. When this occurs during

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the day, the surgical schedule may be disrupted.

A standard, unmodified 6×6-m operating room is designated as the trauma receiving room. Since the operating suite was built several years before the initiation of this system, it received no consideration in the design of the suite. The trauma receiving room contains an autotransfuser, a cardiac resuscitation cart, a defibrillator, operative packs for diagnostic peritoneal lavage and for tube thoracostomy, and equipment to perform infusion intravenous (IV) pyelograms and cystograms. The operating table is the only special equipment in the room. It has been modified by welding a standard, nontilting, roentgenographic tabletop with a Potter-Buckey grid directly to the operative table. This modification permits 35×14-cm anteroposterior roentgenographic examination of the skull, neck, chest, abdomen, pelvis, and lower extremities as well as the performance of cystograms and infusion IV pyelograms without moving the patient. Roentgenograms are developed in the operating room. An angiography room is situated within the operating suite.

Nursing support is provided by the operating room staff. The most senior general surgeon present supervises patient care. The establishment of an airway, patient ventilatory support, blood sampling, and IV placements (except for central venous catheters) are the responsibility of anesthesia personnel, who are also charged with observing the patient during resuscitation and evaluation.

During the nine years this system has been in effect, severely injured patients have constituted 0.7% of our emergency department load. The annual number of emergency department visits has ranged from 58,447 to 76,861 (mean, 67,991). The number of severely injured patients received annually has ranged from 359 to 583 (mean, 450). Currently, one third of the patients received in the operating room subsequently undergo one or more major emergency operative procedures. Ten percent receive only an examination, and 57% receive an examination plus minor operative procedures, eg, diagnostic peritoneal lavage or tube thoracostomy.

FINANCIAL ASPECTS AND QUALITY OF CARE

The financial aspects of this system are attractive. The operating room's nursing and anesthesiology staff has not increased. In addition, personnel costs in the emergency department have been reduced, since that department can be staffed without concern for the need to care for severely injured patients.

The system also reduces patient suffering. After a brief history and physical examination, patients routinely are sedated. Patients who obviously require a major operative procedure are anesthetized during the remainder of their examination.

Most important is the quality of care under this system. Available data suggest that morbidity and mortality among severely injured patients have been reduced by the immediate use of the operating room. In the nine years preceding the institution of this system, no patient with an isolated splenic rupture underwent laparotomy less than one hour after admission. In contrast, the average time between admission and splenectomy has been less than 45 minutes during the past nine years. Before the initiation of this system, all patients with isolated splenic rupture received blood transfusions. Since initiation of the system, only 60% of the patients have received blood transfusions.

During the nine years before initiation of the system, only two patients with penetrating cardiac wounds reached the operating room. In contrast, 20 patients with penetrating cardiac wounds have reached the operating room during the past nine years. Fifteen of these 20 patients were severely hypotensive or had no obtainable vital signs at the time of admission. With the exception of two patients in whom the diagnosis was not appreciated quickly, operative repair was initiated promptly. Twelve patients (60%) survived. Under this system, 38% of our patients with blunt rupture of the descending thoracic aorta have undergone aortic repair within three hours of admission, and in two thirds the operative repair was initiated within six hours of admission.[3] Similar rapidity between admission and aortic repair has not been reported by other centers. In addition, the percentage of missed diagnoses of traumatic aortic rupture has decreased fourfold.

An analysis of 196 consecutive patients with blunt abdominal injuries (1974 to 1976) disclosed that 74% underwent laparotomy within 30 minutes, and only 17.3% were operated on more than one hour after admission. In half of the patients in whom laparotomy was delayed more than one hour, the delay was traced to failure of the emergency department staff to transfer the patient promptly to the operating room. In part, this record of rapid surgical intervention has been accomplished by routine use of diagnostic peritoneal lavage in the evaluation of blunt abdominal injuries. Our experience contrasts with that of a 1971 Connecticut survey of both blunt and penetrating abdominal trauma in which only 3% of the patients underwent exploratory laparotomy within 30 minutes of arrival at the hospital, and only 10% within one hour.[4] Our mortality for blunt abdominal trauma during the three years preceding adoption of this system was 30%, despite routine use of diagnostic peritoneal lavage in the trauma receiving unit in the emergency department. During the next five years, with patients being taken directly to the operating room, mortality for blunt abdominal injuries decreased to 18.2%. From 1974 through 1977, mortality further decreased to 14.5%, but we suspect this is a result of the new 55-mph speed limit. Since its introduction, our motor vehicle accident victims have, on the average, incurred fewer and also less severe injuries.

This study was supported by the St Paul-Ramsey Hospital Medical Education and Research Foundation.

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October 13, 1978 Vol 240 No 16

Commentary

Hospital Care of the Trauma Patient

SINCE THE landmark white paper, *Trauma, Accidental Death and Disability, the Neglected Disease of Modern Society*, published by the National Academy of Sciences in 1966,[1] dramatic changes have occurred in the prehospital care of the acutely ill and injured in many areas of the United States. These changes, wrought by physicians and laymen educated in the needs of the trauma patient, were encouraged, catalyzed, and often augmented by financial assistance from a private foundation (Robert Wood Johnson) and the federal government (Department of Transportation and Department of Health, Education, and Welfare).

See also p 1731.

Improved prehospital emergency medical services bring more salvageable patients to the hospital now than ten to 15 years ago. This is due to improved access to emergency medical services, training of emergency medical technicians, development of central dispatch, and radio communications between emergency medical technicians and hospital physicians. However, during the same ten to 15 years, hospital care of the acutely injured patient has not improved commensurately. In 1961, Von Wagoner[2] reported that 1/6 of 606 soldiers on leave who were admitted alive to community hospitals after automobile accidents died as a result of inadequate hospital care. Recent reports indicate that 20% to 30% of patients with potentially salvageable injuries who are delivered alive to hospitals die unnecessarily. Basic errors of assessment and treatment are reported with disturbing regularity in recent studies of hospital care of the injured from such diverse areas as Vermont,[3] Utah,[4] Baltimore,[5] Milwaukee,[6] and Orange County, Calif.[7] In addition to errors in evaluation and management, the preplanning, mobilization, and organization of hospital staffs and facilities necessary for the care of such patients were often inadequate.[8]

Education of physicians responsible for care in emergency departments and organization of hospital staffs and facilities to expedite diagnosis and treatment should bring some improvement in hospital care of the trauma patient. But as long as patients continue to be taken to the nearest hospital rather than to a more-qualified predesignated hospital capable of caring for complex injuries, the problem will persist. There is little question that hospitals having extensive experience with injured patients offer better care to these patients than hospitals receiving only an occasional trauma patient.[9] Mortality and morbidity are lower in more-experienced hospitals where interdisciplinary teams provide coordinated resuscitation, evaluation, and definitive operative management. The skills and teamwork employed in this complex task are improved by practice and repetition, which come only with a large volume of injured patients.[1]

Categorization of hospital facilities has been the sole strategy advanced in an attempt to ensure patients of being taken to hospitals capable of caring for their injuries. In 1970, efforts to define criteria and establish guidelines for categorization were advanced jointly by the American College of Surgeons, the American Medical Association, and the Joint Commission on the Accreditation of Hospitals. It was anticipated that regional planners for emergency medical services would use hospital categorization results to encourage or require ambulances to deliver patients with critical injuries only to those hospitals capable of caring for them.

From the Department of Surgery, University of California, Davis, and the Veterans Administration Hospital, Martinez, Calif (Dr Frey); the Department of Surgery, University of California, San Francisco (Drs Blaisdell and Trunkey); the Department of Surgery, University of Vermont, Burlington (Dr Davis); the Department of Surgery, Johns Hopkins University, Baltimore (Dr Gann); and the Department of Surgery, Wayne State University, Detroit (Dr Walt).

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Unfortunately, in most of the United States, either categorization of hospitals has not been done or the results have not been used to improve the care of the injured. Although the concept of categorization (matching patient needs to hospital resources) is sound, the possibility of altering existing referral patterns is threatening to hospitals and physicians alike.

There is concern that large numbers of patients may be diverted, with consequent reduction in bed census and revenue as well as loss of prestige by the bypassed hospital. Physicians see a possible disruption of their usual practice patterns. The threat of arbitrary and capricious decisions by a sometimes unresponsive, uninformed bureaucracy further promotes resistance to categorization. Since reduction in bed census may compromise a hospital's survival, an economic solution is required. Those hospitals bypassed by the trauma patient should be compensated by trade-offs of other services with the regional trauma center. These might include obstetrics, pediatrics, cardiology, psychiatry, and rehabilitation, which could be provided efficiently at the bypassed hospital. Establishment of outpatient clinics for nonemergent patients could also be used to take the economic sting out of categorization.

These solutions should be worked out in a forum in which all parties are properly represented. It is urgent that we establish and implement categorization. Unnecessary hospital mortality of the trauma victim makes it imperative that physicians, professional organizations, hospital administrators, and health planners move promptly to ensure that the injured patient receives optimal hospital care. This can be accomplished if patients with major injuries are taken to hospitals with adequate staffing and services.

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Critical Care Medicine
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guest editorial

The Club of Mainz for improved worldwide emergency and critical care medicine systems and disaster preparedness

The potentials of modern resuscitation and life support are not realized in most everyday emergencies of natural and man-made disasters throughout the world. The principal reason for this gap between knowledge and its application is inadequate organization of local delivery mechanisms for emergency and critical care medicine (ECCM).[1-3] The concept of ECCM[1-3] is identical with the European terms "reanimation" or "resuscitology"; it encompasses emergency resuscitation and long-term intensive care for critically ill or injured patients. No data exist on the quality and organization of regional ECCM systems worldwide, but it is the general impression that they and their lifesaving potentials are extremely variable.

During an international symposium on advanced emergency medical services (EMS) delivery systems in Mainz, Germany, in September 1973, an informal group with expertise, leadership background, and common interests in ECCM discussed global emergency care problems and developed recommendations.[4, 5] The Club of Mainz on ECCM and disaster medicine was initiated to foster these goals. The Club of Rome, concerned with worldwide socioeconomic problems and natural sciences, served as a conceptual model.[6, 7]

In September 1976, 10 concerned resuscitologists from seven countries met in Geneva and initiated communication and collaboration with international agencies concerned with disaster medicine, such as the League of International Red Cross Societies, the United Nations Disaster Relief Organization, the World Health Organization, the newly formed International Society of Disaster Medicine, and the International Civil Defense Organization. This was followed immediately by 2-day discussions in Mainz, which led to the official founding of the Club of Mainz.

The following objectives were established:

(1) The Club of Mainz is an international association formed to foster optimal resuscitation and life-support methodologies for the preservation of meaningful life and for the alleviation of suffering from medical emergencies.

(2) Its concerns range from everyday emergencies to mass disasters with appropriate consideration for differences in the populations, available resources, and other factors.

(3) It is informally constituted to pursue these objectives by combining resources of scientific, social, and related information and experiences, together with international communication and collaboration.

Initial Plan of Action

In quantitative terms, the problems and triumphs of everyday emergency and intensive care in the hospitals of developed industrialized countries are small compared with those of natural and man-made disasters. While prevention of such disasters should receive top priority by national governments and international organizations, prevention is beyond the scope of activities of the Club of Mainz.

The following ideas and potentials for action were developed as a basis for planning:

International communication, education, and data collection on disaster medicine. The objectives include the collection of data and firsthand observations of ECCM systems in as many countries of the world as feasible from appropriate agencies, reviewed, and synthesized to provide background for action planning.

Everyday regional advanced ECCM systems. Decisive to all medical care in mass disasters is the quality of everyday ECCM in the particular region. Based on regional international recommendations on resuscitation[8, 9] and ECCM delivery,[10-12] recommendations on community-wide organizations of EMS in the United States[1, 2] and recent advances in prehospital advanced life support,[3, 4] recommendations were made on mobile intensive care and advanced EMS delivery systems.[4, 5] These recommendations should be reevaluated for their relevance to financially de-

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prived, developing countries, which must depend primarily on paramedics and nurses for manpower, and on physicians for leadership. Physicians and nonphysician leaders of regional ECCM systems worldwide should be identified in order to establish ongoing communication with those who can influence the upgrading of regional ECCM systems. Physician authority in everyday ECCM and disaster response-type medical care must be fostered.

Priorities in developed and developing countries. Health care priorities in various countries should be examined according to per capita health budgets, with special attention to developing nations. These nations cannot indulge in expensive sophisticated intensive care, but rather should focus on upgrading inexpensive prehospital resuscitation and emergency care.[13] Priority should be established on the basis of needs and feasibility, more than on demand.

Disaster research. In collaboration with the United Nations and the International Red Cross, existing data on disaster medicine should be studied. The feasibility of sending research teams to sites of major disasters should be explored to conduct studies on medical-social events in natural and man-made disasters and on the potentials for ECCM in these circumstances. Unanswered questions include: What specifically happens when an earthquake, flood, or other disaster strikes? Who dies and what are the causes of death? Who survives, and what are the residual damages of survivors? How have past relief efforts been organized? What were the strengths and weaknesses of these efforts? What salvage could have been expected by improving the time factor in relief action; the quality and quantity of personnel and equipment? How many stages of medical response are needed? What would be their relative cost:benefit ratios? What has been done so far to coordinate relief efforts? Who had authority and what were the obstacles to organized relief and medical care? These and many other questions have to be answered. We should initiate retrospective and concurrent studies of individual disasters, in terms of the logistical obstacles to the application of modern resuscitation in time to reduce mortality. We should identify and recruit experts needed to study disasters from the resuscitative point of view.[13]

Airport disaster preparedness. Improved standards for ECCM preparedness at airports are needed and should be developed in collaboration with the International Organization for Civil Aviation.

Base Hospitals.[14, 15] As an initial step toward worldwide disaster preparedness with resuscitative capability, a network of base hospitals (disaster resuscitation centers or institutes) should be developed in strategic locations around the world. From these hospitals, eventually through the means of modern aviation, every location on the globe should be reachable within prescribed periods of time. These hospitals should be well staffed with physicians of all specialties who are competent in ECCM. They should form an on-call schedule for selected ECCM physicians in the region of the center to be in constant readiness and able to leave their normal schedules within a specified period of time, to be flown to disaster sites. This would require global coordination and uniform planning, orientation, and training. Most likely the stages of relief, which these base hospitals can provide beyond their immediate surroundings, would be after initial emergency resuscitation.[14]

Levels of Care according to Quality of Survival Expected. We should be in a better position than local organizations to make recommendations concerning the levels and expense of care justified according to the quality of survival expected, e.g., patients with postresuscitative brain damage. These recommendations should not only concern triage in disasters with this concept in mind, but also more effective utilization of available, expensive intrahospital life support technology.

Resuscitative Intervention in Disasters

As we do research for individual patients, we must also do research on disaster medicine for entire populations to determine the efficacy of various organized and unorganized approaches. These studies should be followed by organization of a disaster intervention plan. These must include: recognition of the disaster, initiation of local and international response systems, levels and types of response to be organized, methods of mobilization and dispatch, links with the region's own health resources, concurrent data collection, termination of relief, and retrospective evaluation of patient outcome.

In most disasters, the lifesaving potential of resuscitation and life support has not been brought to bear early enough, or with sufficiently advanced personnel and tools to reduce mortality and morbidity significantly. Many disaster relief actions have come too late and helped merely by bringing water, food, shelter, antibiotics, vaccines, and nursing care. They served the self-aggrandizement of many uncoordinated agencies and governments.[13]

Stages of Resuscitative Relief Action. In order to bring the potentials of modern resuscitation to bear in disasters, one must consider the following *time factors* in order to plan preparedness and response:[16]

(1) Prevention of cardiac arrest and irreversible brain damage requires within *seconds to minutes,* airway control, ventilation, oxygenation, and control of external hemorrhage by onlookers. While resuscitative surgery for internal hemorrhage is not feasible at disaster sites, pressure suits may be made available

early. Limits to stage 1 are posed by late recognition and inaccessibility of victims requiring difficult extrication.

(2) Prevention of shock calls for blood volume replacement and other measures within about *1 hour*. If resuscitation is delayed, reversal of organ failure may be possible, but only with expensive intensive care.

(3) To preserve limbs and other tissues and to prevent lethal sepsis, definitive wound care and vascular reconstruction may be required within *4–6 hours*.

(4) In seemingly moribund patients with inadequate initial resuscitation (e.g., established respiratory distress syndrome, renal failure, sepsis, aspiration, delayed bowel rupture, continued fluid loss, subacute intracranial hematoma), expensive prolonged advanced intensive care and surgical intervention, if started within *1–5 days*, can occasionally turn the tide toward recovery.

(5) ECCM relief actions started 2–7 days after the event may influence only dehydration, starvation, exposure, and secondary infections.

(6) Public health relief actions, which should start as early as possible, parallel with ECCM actions, will continue to have some lifesaving impact beyond one week by a variety of measures, such as removal of bodies, vaccinations, sanitation, and water supply.

Effective triage (sorting) and stabilization of patients will modify the above time factors. For example, if (1) and (2) above are carried out promptly, (3)–(6) can be longer. In contrast, if (1) and (2) above are absent, the rest may be futile.

Political-governmental obstacles will have to be overcome to get local and outside personnel to cooperate for prompt rescue, extrication, evacuation of patients, transport of rescue and medical personnel and equipment, triage, and definitive therapy. Crucial factors for mutual help among countries are: air transportation, a base hospital located near a major airport, helicopter and small aircraft ambulance services, and most importantly, public education in first aid and resuscitation.

For the base hospital, international collaboration of national air forces should be considered, as this may give them the incentive to save, rather than destroy lives, by becoming part of a global disaster response system. Organized military medicine has made great strides in application of modern resuscitation to casualties more rapidly and with higher quality than most civilian systems. We should learn from military organizations how to mobilize rapidly civilian and military medical resources.

As the globe is becoming smaller for all of us, we must convince politicians and governments to mobilize medical, military, and governmental resources toward a common goal. The opportunities are real; therefore, physicians and nonphysician leaders should commit themselves to the improvement of global collaboration in ECCM.

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Clinical Aviation and Aerospace Medicine

Twenty Years of Medical Support in Aircraft Disasters at Kennedy Airport

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ABELSON, L. C., L. D. STAR, and A. S. GOLDNER. *Twenty years of medical support in aircraft disasters at J. F. Kennedy International Airport.* Aerospace Med. 44(5):560-566, 1973.

The Medical Disaster Plan for J. F. Kennedy International Airport has been in operation for over 20 years. With the evolution of newer and larger jet aircraft, presently carrying over 350 passengers, the need and planning for medical support for disasters has been reviewed. After dealing with the first few disasters at Kennedy Airport, the need became evident for a well developed emergency medical plan. The plan was developed to provide for medical personnel (doctors, nurses, etc.), treatment areas, evacuation procedures, and supportive equipment at the scene. Prior to the most recent revision of the Medical Disaster Plan at J. F. Kennedy International Airport, the casualties were evacuated as rapidly as possible. With the number of potential casualties greatly increased, this evacuation procedure has been altered in favor of utilizing a Mobile Inflatable Treatment Unit capable of providing facilities to treat and hold casualties at the scene until hospital beds are available and proper transportation can be obtained. Medical personnel from the Medical Office, as well as those airlines maintaining medical departments, are actively participating in the Disaster Plan. The Medical Disaster Plan at Kennedy Airport has been developed through 20 years practical experience with such emergencies. Numerous supporting agencies, i.e. Coast Guard, City Disaster Units, Red Cross, etc., have helped create a smoothly functioning disaster team. A program of this type is recommended and should be really adaptable to airports and to other agencies involved in disaster planning. Its major goal is the ability to give initial medical treatment to large numbers of casualties prior to evacuation to hospitals for more specialized care.

KENNEDY INTERNATIONAL AIRPORT, operated by the Port Authority of New York and New Jersey, ranks as one of the busiest airports in the world. In 1971, it handled nearly 20,000,000 passengers, overseas and domestic, moved nearly 850,000 tons of cargo and 150,000 tons of mail. Over 4,600,000 motor vehicles used its roads and parking lots, exclusive of buses, limos and trucks, and almost 350,000 aircraft landed or took off at the facility. That was for 1971. For 1972 the figures will be even more impressive. Major civil airports the world over have had their share of aircraft accidents. Kennedy is no exception.

From the medical support viewpoint, we have learned much from earlier incidents and successively have made appropriate changes and corrections. Furthermore, the last two decades have witnessed a vast evolution in types of aircraft, running the gamut from leftover DC-3s to 747s, DC-10s and Lockheed 1011s in the transition from piston to jet.[12-17] Planning for aircraft incidents must now focus deeper into the future to the day when the stretch-747 or passenger version of the C5-A with its enormous passenger capability, creates problems that may well tax the efforts of all services in casualty handling.[1]

The disaster medical team currently serving the airport evolved from an early rather unsophisticated operation to today's coordinated unit which utilizes all possible medical components both within and without the boundaries of the airport. Unquestionably, a smoothly functioning disaster team involving highly trained firefighters, police, medical support units, communications, traffic control and evacuation can and does substantially reduce mortality and morbidity in aircraft disasters.[8,10]

ORGANIZATION

Cooperative effort between the Medical Office at Kennedy[16] and the Port Authority, together with airline medical departments located on the field, FAA Medical, the City of New York Health and Hospital Corporation plus voluntary and military hospitals in the area have welded the Medical Disaster Plan into a smooth and cohesive unit. (Table I and II). The U. S. Coast Guard Air Sea Rescue Unit based at Floyd Bennett Field lends full support in providing helicopter evacuation. New York Airways, a feeder line located at Kennedy, has volunteered both helicopter equipment and personnel (Table III).

The Port Authority of New York and New Jersey, a bistate agency, manages the major metropolitan airports including Kennedy. The overall Disaster Plan for Kennedy has been formulated and regularly revised by the Port Authority in conjunction with the New York City Police, Fire and Traffic Departments.[3,5,6,7,9,11] That portion of the Disaster Plan pertaining to emergency medical care and evacuation is a matter of joint effort by the Kennedy Medical Office, Port Authority, The New York City Disaster Team, the U.S. Coast Guard and participating hospitals.

TABLE I PARTICIPATING MEDICAL DISASTER TEAM BASED WITHIN AIRPORT BOUNDARY

Unit	Physicians	Nurses	Technicians	Ambulances
Medical Office	17	21	21	
Eastern Airlines	3	2		
Federal Aviation Administration	2	1		
Pan American Airlines	5	8	3	
Trans World Airlines	1	4	1	
United Airlines	2	2	2	
Port Authority of New York and New Jersey	1	1		2
American Airlines	1	2		
TOTAL	32	41	27	2

TABLE II HOSPITALS WITH HELIPORTS OR LANDING FIELDS, IN SUPPORT OF KENNEDY AIRPORT DISASTER PLAN

Name	Location	Flying Time (Minutes)	Type Care
Beckman Downtown Hospital*	Manhattan	9	General
Bronx Municipal Hospital	Bronx	11	Burn Center
Bronx Veterans Administration	Bronx	12	General
Creedmoor State Hospital	Queens	5	General
Cumberland Hospital	Brooklyn		
Elmhurst General Hospital**	Queens	5	General
Harlem Hospital	Manhattan		Burn Center
Jamaica Hospital	Queens		General
Kings County Hospital	Brooklyn		
Long Beach Hospital	Long Beach		
	Nassau County	7	General
Long Island Jewish Hospital	New Hyde Park		
	Nassau County	4	
Mary Immaculate Hospital	Queens	3	General
Mt. Sinai Hospital***	Manhattan	12	General
North Shore	Manhasset		
	Nassau County	5	General
Peninsula Hospital Center	Queens	3½	General
Queens General Hospital	Queens	4	General
St. Albans Naval Hospital	Queens	4	Burn Center
St. Vincent's Hospital	Queens		Burn Center
U.S. Public Health Service Hospital	Staten Island	8	General

*Wall Street Heliport
**World's Fair Heliport
***Central Park

TABLE III. HELICOPTER SUPPORT FOR KENNEDY AIRPORT DISASTER PLAN

Unit	Equipment	Passenger Capacity
U.S. Coast Guard	3 Sikorsky HH3F	15
	4 Sikorsky HH52-A	4
N.Y. Airways	4	30 (9 stretchers)
N.Y.C. Police	3	2
	3 (Turbine)	5

The Medical Office at Kennedy is an independent privately operated facility born in 1950 with just two doctors servicing the airport as the need arose.[18] Since then it has grown to a unit employing 85 medical personnel including physicians, nurses, technicians, clerks, secretaries and an administrator. It remains open 24 hours a day 365 days a year, servicing employees, passengers and visitors alike. However, in terms of disasters, the Medical Office at Kennedy could hardly function without the aid and assistance of all of the medical units noted above. It has thus evolved into the nerve center of the plan. The Disaster Medical Team convenes at intervals to update and revise the plan to meet current needs. The Port Authority staff including police, fire and administrative units, the FAA and the Health and Hospital Corporation are integral parts of these discussions.

CHANGE IN CONCEPT

Traditionally, treatment and triage in disasters was concerned primarily with: (1) On-scene medical treatment, and (2) Evacuation to hospitals with all possible speed.

Since the advent of larger aircraft with passenger capacities of 400 or more, it has become obvious that an accident involving one or more aircraft can generate literally hundreds of casualties. Mohler and his Airport Medical Service and Flight Sanitation Committee[12] recently indicated that the jumbo jet era creates the probability of larger numbers of survivors with varying degrees of injuries as compared with crashes involving piston aircraft, due largely to the wide-body jets providing greater structural absorption of crash forces, less flammable materials, less volatile fuels and stricter crashworthiness regulations. Hospitals, even in liberally equipped metropolitan areas, are already taxed to the limit for bed space. The added burden of hundreds of injured could create problems. Add to this major traffic jams in the vicinity of the airports, plus the usual "rubber-necking" tie-ups created by radio and television reports of an accident, and emergency evacuation as a result becomes difficult.

Opinions differ on the matter of transporting casualties posthaste away from the scene of an accident. Personally, we propose that instead of transporting all casualties posthaste away from the scene of the disaster that:

(1) A procedure be established whereby mobile emergency treatment centers be set up at the scene.
(2) Medical personnel be brought into the area by helicopters or motor vehicles.
(3) Casualties be sorted, treated and kept at the scene until bed space is available.

In simple terms then, we propose that casualties be separated as to type and degree and stabilized in th areas described below, at least until beds in designat hospitals and medical centers become available. Ove loading of hospitals already full is thus avoided. W proper triage for example, initial treatment of burns ca be instituted, shock treated, and when Burn Center be are ready, patients transported by ambulance, or air Medical personnel provided by the various segments the Disaster Team would provide medical services un patients are evacuated.

MOBILE INFLATABLE TREATMENT UNIT (MITU)

A mobile inflatable treatment unit has been develope capable of being transported to any disaster scene alm as fast as fire equipment, inflated in 5 min or less an operative in another 15 min. Bergot of Orly Airport ha previously described the use of inflatable huts to be use at disaster sites.[3] An inflatable and mobile unit de veloped and manufactured by the Garrett Corp. ha been used extensively by the U.S. Army in Vie Nam, designated Mobile Army Surgical Hospit (MASH).[14,15]

The engineering department of the Port Authority ha developed a trailer (Fig. 1) 46' by 10' capable of bein towed by any four-wheel-drive vehicle equipped with th proper towing attachment. This trailer is garaged wi emergency fire equipment and rolls out at the first sig of a crash. Should the accident be outside the airpo boundary, it can still be towed to the area and beg functioning in minutes. (Fig. 2)

The principal advantage of the MITU is that stora of the inflatable units, when not in use, is on the roof o the trailer. Traction on exposed tapes pulls the hut off th

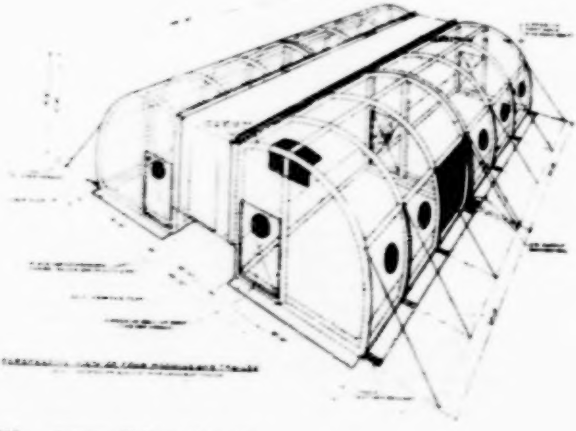

Fig. 1. Schematic perspectiv view of Mobile Inflatable Hu and Trailer.

roof, which is then immediately inflated by the self-contained air compressor. Fig. 1 shows the heavy duty air-beam arches that support the roof of the structure. Another advantage of this design is that end and side panels may remain open without loss of air, allowing for ready access to treatment areas. The inner wall of the hut becomes the trailer itself. Heat and light are provided by a self-contained generator. As seen in Fig. 1 each of the inflated areas is 23′ x 16′ supplying four separate treatment or triage divisions.

The trailer is divided into:

1. Supply Room—for storage of crash trunks, cots,

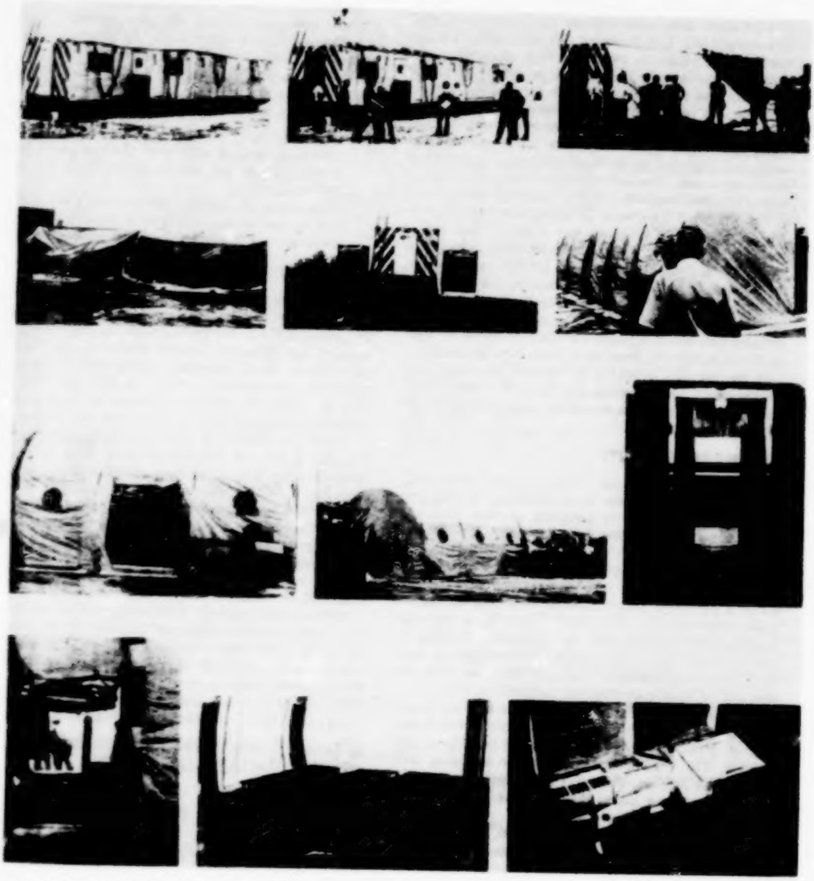

Fig. 2. This series of photographs show the MITU in the various stages of its readiness. The photographs begin by showing the MITU in its storage position, in the process of inflation, and readiness to accommodate injured passengers. The cots and disaster kits are permanently stored within the trailer. Total elapsed time of the inflation process is 5 min. In 15 min or less, the unit is capable of accommodating injured passengers by giving the medical team adequate facilities to perform their duties.

blankets and other essential medical supplies.

2. Waiting Area—for clerical and record-keeping functions, doubling as a holding area for walking casualties.
3. Communications Room—with transmitting equipment and telephones.
4. Toilet and sanitary facilities.

By adding inflatable units to the basic trailer with its two inflatable huts, configurations can be achieved either in a straight-line, L or U shapes depending on terrain and number and nature of casualties. The compressor and generator provide air for inflation as well as heat and light. One can visualize units which are hundreds of feet in length, each unit caring for particular-type casualties—thus burns can be housed in one or more of these huts, shock and fractures into still others. Units can be designated as temporary morgues, identification centers, and operating rooms. The latter, located centrally, can receive casualties from either end for definitive care.

For whatever stays may be anticipated, portable X-ray units, although currently not a part of the MITU package, can be readily made available. Such units can be kept at the airfield, or they may be airlifted by helicopter, the number of such units determined by the number of casualties. MERVAN has similar units. At this writing, the Medical Office at Kennedy maintains one additional portable unit with a separate transformer, above its regular X-ray equipment, that can be brought to the scene.

If the use of the MITU is required for more than several hours, food services can be made readily available by simply calling on any of the many airline caterers on the airfield.

OTHER USES FOR MITU

1. Aircraft evacuation chute injuries: Emergency evacuation of aircraft due to fire warning, landing-gear problems, bomb scares or a myriad of other factors is rather more common than crashes. Such incidents can generate a large number of relatively minor injuries, requiring at least some care. We have treated as many as 85 such injuries following one chute evacuation incident out of a passenger complement of 130. Most do not require hospitalization. The MITU serves as a very adequate unit for handling this type of injury. Portable X-ray equipment is readily available for diagnosing fractures. Following indicated treatment the patient can depart without needlessly cluttering hospital facilities.

2. Bomb scares: This is of particular interest to airport authorities. Bomb threat harassment causes frequent aircraft delay, necessitating off-loading passengers and baggage. The aircraft can be parked on a remote taxiway for this purpose. Passenger and baggage search can then be conducted under shelter in the inflatable hut, with separate search areas for each.

3. Command Post for aircraft disposal, removal or repair when conditions preclude otherwise moving a disabled plane i.e., landing gear collapse.

MERVAN

In addition to the MITU maintained by the Port Authority, the New York City Health and Hospital Corporation has developed a vehicle known as the MERVAN. Essentially this is a 40-passenger bus redesigned to include an operating room, X-ray unit and adequate supplies which is dispatched to the scene of major disasters. It carries with it a full complement of medical personnel.

HELICOPTER AIRLIFT

Barron[1] has stressed the great importance of air evacuation by helicopter but feels that mass casualties may require numerous helicopters to do the job. Schamadan[11] discussed the value of helicopters during the mass casualties generated in the recent California earthquake (Table III).

Two major functions are served by adequate helicopter support:

1. Airlifting medical personnel and equipment from central storage and staging areas (hospitals) onto the crash scene.
2. Evacuation of initially cared-for casualties to general or special hospital centers when bed space is available and the patient's status warrants moving.

HOSPITAL SUPPORT

Kennedy Airport is fortunate in this regard. One of the nearby supporting hospitals incorporated in the plan has an approved FAA heliport adjacent to the Emergency Room of the Hospital. Located 4 min from the field by air it serves as an excellent staging area for medical personnel and supplies to be flown into the crash site (Fig. 4). Other hospitals participating in the plan have adequate emergency landing areas close by the hospital or within the hospital grounds. Table II lists hospitals that are a part of the overall New York City and Kennedy plans with flying time to the adjacent landing area. Fig. 3 displays dispersion on an area map. With a view toward accommodating an even larger number of injured survivors in a massive emergency, arrangements have been concluded with Creedmoor State Hospital, 5 min by air from Kennedy, to open a presently unused fully-equipped 500-bed hospital building with approximately 80 physicians on duty around the clock.

With adequate time for initial medical care and proper triage made possible by the use of the MITU and units of the New York City Disaster Medical Team, careful evacuation to hospitals of choice can be performed. When normal traffic patterns return, hours or even days after the crash, the many available ambulances can make unobstructed trips to these hospitals (Fig. 3).

STANDARD OPERATING PROCEDURES FOR MEDICAL UNITS IN AIR CRASHES

1. Upon a "Signal 34" at the Medical Office from the control tower, received on a direct-line red phone, at least one physician and two nurses immediately proceed to the indicated location of the crash with the unit emergency vehicle, crash trunks and walkie-talkie transmitters.

2. New York City Disaster Medical Teams are automatically alerted by direct line, proceeding to the airport with their various units.

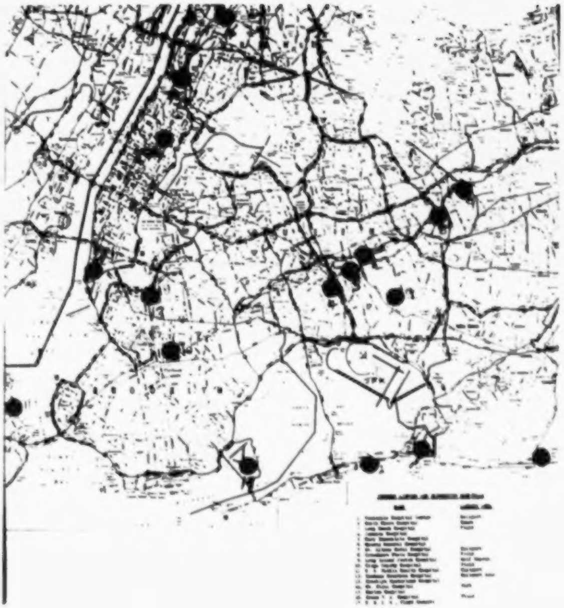

Fig. 3. Hospitals available to receive injuries resulting from major aircraft disasters at J. F. Kennedy Airport. Note: Many of the hospitals are readily accessible by helicopter.

3. All other medical units and personnel participating in the medical plan as listed below are immediately alerted by telephone and advised to report to the Medical Office:

   A. Medical Office physicians and nurses
   B. Airline Medical Departments
      (1) Pan American Airways
      (2) United Airlines
      (3) TWA
      (4) FAA Medical
      (5) Eastern Airlines
      (6) American Airlines
   C. Participating hospitals not directly associated with the New York City Health and Hospital Group are notified to alert their own internal staff.

4. The United States Coast Guard Air Sea Rescue at Floyd Bennett Field is notified. One helicopter proceeds to the Peninsula Hospital Center heliport (Fig. 4) to airlift personnel and additional supplies as needed. Remaining available helicopters report to Kennedy Airport or, if airborne, direct communication is maintained with these craft through the control tower.

5. At the scene of the crash, the first physician present assumes responsibility for distribution of other incoming personnel and Disaster Units. Since the Medical Office at Kennedy has from one to four physicians on duty at all times and always arrives first, this activity is usually assumed by one of them.

6. The MITU and trailer are meanwhile being made operable at the site. The latter serving as the command post for medical activity. Direct communication is maintained with all of the supporting units from this post, directing them as required by the situation.

7. Emergency care and triage proceeds at the scene of the crash.

8. Evacuation of injured based upon the numbers of injured, hospital bed availability and local traffic is carried out. This phase may be delayed as long as required by the situation.

COMMUNICATIONS

Initiation of all calls to the Medical Office is accomplished by a red phone directly linked with the tower. Bomb scares, alerts with and without fire equipment, as well as actual crashes are announced by the controller on duty giving location and any other available immediate information. The Medical Office personnel

Fig. 4. Helicopter landing in front of Medical Office at J. F. Kennedy Airport during practice drill for Medical Disaster Plan.

who immediately are dispatched to the scene are equipped with walkie-talkie transceivers, with the central station located at the Port Authority Operations Center. Port Authority police are also equipped with mobile transmitters in all vehicles. The MITU trailer communications room has similar transceivers as well as telephones. This network allows for immediate relay of information, requests for personnel, ambulances and equipment as well as bed availability in supporting hospitals. The Los Angeles County disaster plan has established a sophisticated radio network linking all participating hospitals in the plan with central communications centers. We are currently in the process of establishing similar stations in the hospitals surrounding Kennedy Airport for even more effective direct communication.

SUMMARY

Twenty years of medical support in aircraft disasters has led to the conclusion that large numbers of casualties may best be served by initial and possibly longer treatment at the scene. A specially designed trailer with inflatable treatment areas, towed to the crash scene is described. By adding extensions, this unit has almost unlimited space for treatment and triage. The highly effective mobile units of the New York City Disaster Medical Team, plus the medical personnel of the individual airlines on the field, provide adequate professional management.

The standard operating procedure in medical support for crashes at Kennedy has been discussed. The plan is based upon full cooperation with the New York City Disaster Medical Team and the medical departments of the airlines together with the pre-designated hospitals. Airlift of personnel and supplies into and evacuation of casualties out of the airport is provided by the U.S. Coast Guard.

The plan outlined is presented as a practical solution to the complex problems of handling hundreds of casualties in a single disaster, and may well be considered by major airports elsewhere with similar geographic and bedspace difficulties.

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Clinical Aviation and Aerospace Medicine

Operation S. A. F. E. (Simulated Aircraft Fire and Emergency)

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STAR, L. D., L. C. ABELSON, and A. S. GOLDNER. *Operation S.A.F.E. (simulated aircraft fire and emergency).* Aerospace Med. 45(8):888-892, 1974.

After the most recent revision to the Medical Emergency Plan at J. F. Kennedy International Airport a simulated disaster drill was held, known as Operation S.A.F.E. (Simulated Aircraft Fire and Emergency). Objectives of this exercise included evaluation of the newly acquired Port Authority Mobile Inflatable Treatment Unit as well as response and casualty care capabilities of medical teams from the J. F. Kennedy Medical Office and The Emergency Medical Services Division of the New York City Health and Hospitals Corp. Subsequent to the exercise an evaluation meeting was held. At this session each aspect of the performance was discussed. Recommendations were made to improve performances in various aspects of our plan. Operation S.A.F.E. illustrated that constant updating and revision of a medical emergency plan is necessary if casualties are to be adequately treated. Cooperation and coordination of all medical teams is essential to achieve this result.

THE COMING OF AGE of jumbo jets has changed the concept of disaster planning and those responsible must consider handling hundreds of potential casualties. During the past 20 years, the Emergency Medical Plan at John F. Kennedy Airport has constantly been tailored to meet an ever-expanding volume of commercial travel. In a recent article we reviewed the problems associated with this growth (1).

Subsequent to the acquisition of the Port Authority Mobile Inflatable Treatment Unit at J. F. Kennedy Airport (Fig. 1), the Medical Emergency Plan was revised. More extensive medical care can be provided at the site rather than evacuating casualties as rapidly as possible from the scene of a disaster. We believe that immediate evacuation after an aircraft incident would be difficult for the following reasons:

1. Most hospitals in the New York metropolitan area are usually full. Emergency beds are always limited as a result of this situation.
2. Road conditions generally are not favorable after an airport disaster due to a snowstorm, normal heavy traffic, or the morbid curiosity of those interested in witnessing an unpleasant event.
3. The number of emergency vehicles available at

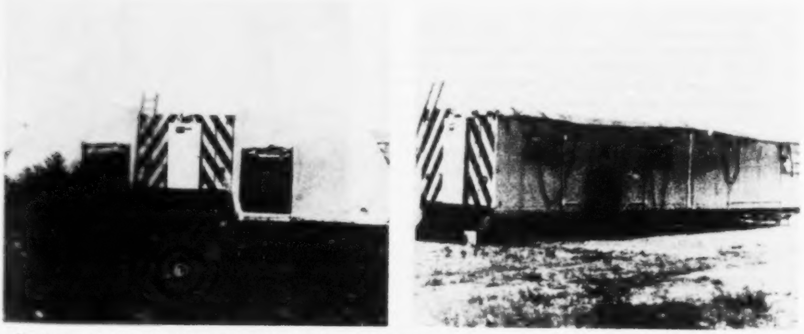

Fig. 1. The Mobile Inflatable Treatment Unit is pictured in its storage configuration (air beam huts on roof) and with air beam huts inflated.

any given time is not sufficient to transport several hundred casualties immediately to hospitals.

We believe that a simulated test of new equipment is an essential part of future planning. Furthermore, service provided can be evaluated under controlled conditions. Deficiencies can then be rectified prior to the utilization of the plan in an actual emergency. Accordingly, a disaster drill committee was organized by members of the various participating agencies at Kennedy Airport. Members of the Committee included representatives of the F.A.A., U.S. Customs, New York City Police and Fire Departments, New York City Health and Hospital Corp.'s E.M.S. Division, Port Authority Units at J. F. Kennedy Airport, and the Medical Office at this facility. Designated representatives from each of the above agencies participated in the planning and execution of the drill which the Committee agreed to call Operation S.A.F.E. (Simulated Aircraft Fire and Emergency).

In order to simulate an incident as realistically as possible, the J.F.K. Disaster Drill Committee created a scenario for an exercise. The "aircraft" involved was considered to be a four-engine jet of domestic origin with 75-100 passengers on board. It was agreed that the "incident" would occur within the airport boundries. The Committee selected a Saturday morning as the most appropriate time in order to afford greater participation by the Emergency Medical Services Department of New York City's Health and Hospitals Corp. This day usually involves a low workload for their ambulances and personnel (2).

Coordination of emergency medical care was delegated to the Medical Office of J.F.K. Airport since they are always the first medical unit at the scene of an accident (2). Doctors and nurses are on duty 24 hours a day, 7 days a week at this facility. Ordinarily, the evacuation of casualties would certainly pose a problem, particularly if an incident would occur during the peak of vehicular surface traffic. Medical personnel in that situation would have a difficult time getting to the airport. Therefore, arrangements were made to airlift personnel and equipment from local hospitals to care for casualties in the "Mobile Inflatable Treatment Unit" (MITU). This portion of the plan was simulated with the arrival of a U.S. Coast Guard Helicopter at the drill site (Fig. 2).

In order to simulate an aircraft cabin, the Port Authority arranged for three school buses to be placed end to end at the designated drill site (Fig. 3). Students from a local aviation-oriented vocational high school volunteered to act as "casualties." All participants were briefed prior to the drill, and were assigned "injuries" for the exercise. Cardboard placards explaining the nature of the injuries were worn. All drill teams agreed that simulation of treatment, such as starting IVs, applying splints, transporting by stretchers, etc., be accomplished as often as practical (Fig. 4, 6).

On the day of the exercise, buses arrived at the site at 9:45 a.m. and the students received their final instructions. Arrangements were made with the Federal Aviation Administration to have the control tower announce the commencement of the drill over designated

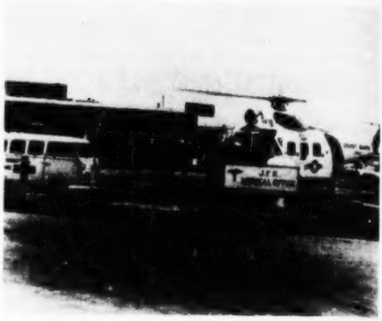

Fig. 2. Arrival of U. S. Coast Guard Helicopter at J. F. Kennedy Medical Office simulating airlifting of medical personnel and supplies from nearby hospitals.

Fig. 3. Three School Buses placed end to end simulating the aircraft cabin.

Fig. 4. Simulated treatment of casualties being performed in one of the MITU air beam huts.

TABLE I. FIRST 10-MINUTE RESPONSE.

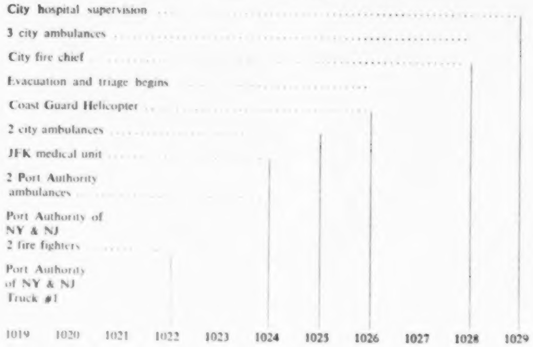

Fig. 5. "Casulty" being admitted to air beam hut specifically designated for orthopedic care.

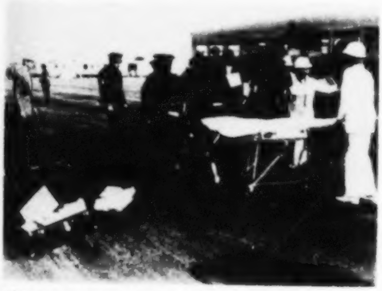

Fig. 6. Evacuation of casualties via stretchers to the Mobile Inflatable Treatment Unit.

frequencies. Immediately following the tower alert of Operation S.A.F.E., all participating agencies were directed to respond to the site of the "crash".

The Mobile Inflation Treatment Unit was transported and inflated at the scene by Port Authority personnel and, within 15 min, was capable of receiving "casualties" from the simulated aircraft disaster (Table I). Each air beam hut was designated a specialty care center—burns, orthopedic, surgical, morgue, etc. (Fig. 5). Casualties were directed to the appropriate hut corresponding with their injuries.

As the MITU was being readied, the Medical Office Disaster Team arrived and began to treat the "victims" (Table I). Tagging of patients was begun. The initial treatment of fractures, shock, and other trauma was started. In 6 min, the New York City Emergency Medical Service ambulances began to arrive. Shortly thereafter, a U.S. Coast Guard Helicopter was on the scene, having picked up medical personnel from local hospitals (Table I).

The entire exercise took approximately 90 min. Twelve ambulances, two Mervan Units, one U. S. Coast Guard Helicopter, one MITU, and 35 medical personnel responded. After treatment was rendered in the MITU and the Mobile Emergency Room Vans (Mervans), the casualties were evacuated in an organized manner by ambulance and helicopter to the respective hospitals (Fig. 7, 8).

Had this been an actual incident, a decision would have been made whether or not to evacuate all casualties after initial treatment. This determination would have been influenced by road conditions, numbers of casualties needing hospitalization, and hospital availability. If these conditions were not favorable, casualties could be kept in the MITU for several days. Required personnel and supplies would be flown in via helicopter. Food services are readily available from the airline catering services based at the airport.

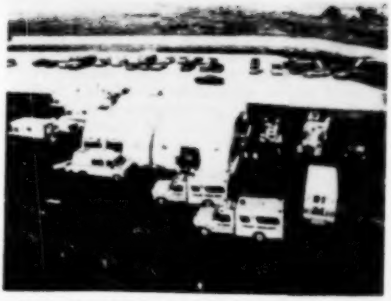

Fig. 7. An aerial view of the Mobile Inflatable Treatment Unit with Ambulance and MERVANS ready to evacuate casualties.

Fig. 8. Casualty being loaded into U. S. Coast Guard Helicopter for evacuation.

COMMUNICATIONS

In support of any disaster program, the need for efficient and reliable communications is vital. Each unit participating in Operation S.A.F.E. utilized their communications system. Walkie-talkie radios were employed by each group. However, careful consideration was given to the frequencies being used, so that overlapping communications was eliminated. A command post was established in the MITU. Representatives of each team were assigned to the communications room to assist in the interaction of the participants. A Bell Telephone Co. truck responded to the Operation S.A.F.E. site. Within 10 min, telephone communications were established at the scene.

For the purpose of a post-drill evaluation, "Marshalls" were designated as observers during the operation. They evaluated different phases of the emergency plan as it progressed. The Committee agreed that during the first 30-45 min of an actual alert, medical resources would probably be scarce. With this in mind, in order to enhance their utilization, the specific goals of the emergency teams arriving at the scene initially were made clear. Medical personnel who initially responded were not expected to cope with all the "casualties." This was accomplished by efficient triaging of patients. As resources became available, the casualties would receive care on the basis of their priorities. Casualties were categorized by the medical coordinator initially arriving at the "crash" site. Injuries were triaged as to the severity of injuries and type of medical care required. Those in need of immediate hospitalization were designated Priority 1. Preparations were begun to accomplish evacuation to local hospitals utilizing first-arriving ambulances or helicopters. An initial evacuation was being carried out, the MITU was being prepared to accept Priority 2 casualties. Mervan units arriving at the site were available for more specialized treatment. Each quadrant of the MITU was designated a specialty care center, as mentioned previously (Fig. 5). Patients were transported to huts corresponding with their injuries. Medical teams stood by in each area to receive casualties and provide proper medical care. "Passengers" requiring first aid were transported to the Medical Office by available cars and buses. During the triaging process, medical teams were cautioned not to devote time to the obvious dead-on-arrival or hopelessly injured victim.

Medical personnel were instructed on what was expected of them, triage priorities to use, as well as utilization of the first arriving ambulances. For identification purposes, each member of the disaster team was issued a white protective helmet with a red cross painted over the brim. Other participants not in uniform (i.e. police, fire, etc.) were identified by I.D. cards worn on outer garments and by coats indicating their affiliation (Fig. 9). Physician coordinators wore gold protective helmets similar to those described above (Fig. 5).

All personnel were made aware of the supplies stored in the Emergency Medical Kits (Fig. 10). Splints, IV solutions and dressings were dispatched as necessary from the storage area in the trailer.

In general, it was agreed that the *first* phase of the medical exercise illustrated the need for the following requirements when an aircraft accident occurs:

1. Identify the need existing in terms of numbers and priorities of patients.
2. Provide emergency stabilizing care against shock, blood loss, etc.
3. Evacuate via helicopter patients requiring immediate care (Fig. 8).
4. Designate a physician bearing responsibility for coordinating the activities of participating authorities (3).

The *second* requisite of the disaster response is the establishment of the Mobile Inflatable Treatment Unit. Mobile ambulances with operating room capabilities were utilized for more specialized care prior to evacuation. These were originally 40-passenger buses rede-

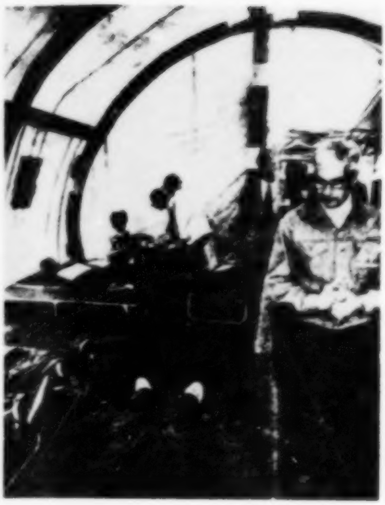

Fig. 9. Personnel not in uniform were identified by I.D. cards or insignias on their outer garments as pictured.

equipped to include an operating room, x-ray units, and adequate medical supplies. Each unit was [illegible] with its own medical team. The MITU and Mervans were situated close enough to the site so as to facilitate movement of casualties via ambulance [illegible] of care. The objective of care in the MITU was to prevent further deterioration in the condition of the "casualties." Orderly evacuation to nearby hospitals via ambulance and helicopters followed.

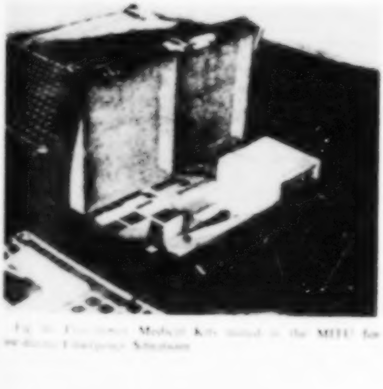

Fig. 10. Emergency Medical Kits stored in the MITU for [illegible] Emergency Situations.

Subsequent to the secondary triage in the MITU and Mervans, the ambulances were made ready for phase 3, the Evacuation Phase. Medical evaluations were made to minimize travel time for those more seriously "injured." During this phase, the communications system previously described was used in dispatching emergency vehicles. Individuals responsible for dispatching ambulances were stationed in the MITU Command Post. Efficient coordination was then achieved with all of the Medical Units involved. The determination of hospitals to be utilized was delegated to the Emergency Medical Service Department of the New York City Health and Hospital Corp.

Operation S.A.F.E. illustrated that constant updating and revisions of medical emergency evaluation plans are necessary if resulting injuries are to be adequately treated. Cooperation and coordination of all medical teams are required when any aircraft disaster occurs. The medical staff of J. F. Kennedy Airport looks forward to the continuation and improvement of aircraft disaster plans.

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A SURVEY OF PRE-FLIGHT, POST-FLIGHT AND IN-FLIGHT DEATHS AT J. F. KENNEDY INTERNATIONAL AIRPORT

Louis C. Abelson, M. D. and Leon D. Star, M. D., FACS

Presented September 29, 1966 at XV International Congress
of Aviation and Space Medicine, Prague, Czechoslovakia

A SURVEY OF PRE-FLIGHT, POST-FLIGHT AND IN-FLIGHT DEATHS AT J. F. KENNEDY INTERNATIONAL AIRPORT

Louis C. Abelson, M. D. and Leon D. Stat, M. D., FACS

It has long been established that individuals with a positive history of heart disease, particularly those in the older age groups, are relatively ill-equipped for air transportation. (1) Previous studies have concentrated on mortalities during flight and in the immediate post-flight period. Our series of fifty-five passenger deaths occurring at or terminating in John F. Kennedy International Airport, New York, provides quite another view. Deaths associated with air travel, more often than not, occur before the passenger boards his aircraft. These findings suggest that greater effort may well be expended in the area of easing the burden of the [illegible] air passenger, particularly with the advent of giant subsonic and supersonic aircraft capable of carrying over 300 passengers. Check-in and pre-boarding procedures deserve closer scrutiny. Improvements in this area may well limit the number of passenger deaths associated with flight.

Consistent with the tremendous increase in air passenger traffic in recent years, there has been a proportionate increase in the number of elderly and infirm utilizing this mode of transportation. At an airport such as John F. Kennedy International, there are seen not only the many thousands of Transatlantic passengers but also a multitude of passengers flying the shorter routes to Southern and Caribbean resorts. Although no actual figures are available, the average age of passengers on the New York to Florida run is probably somewhat higher than along other routes. It follows that this older age group will include a higher proportion of persons with previous illness, particularly cardiovascular disease. This series of fifty-five cases by no means constitutes the total number of deaths at Kennedy Airport during [illegible], but only those for which some follow-up examination, autopsy or partial post-mortem was obtainable through the office of the Chief Medical Examiner, City of New York. The total number of non-traumatic deaths amounts to over three hundred in this same period.

Physicians and airline personnel alike have long been aware of the risks of allowing known cardiac patients to fly. Decreased cabin pressure even in the new jet equipment plays a definite role. Stress and fatigue are added burdens. Little has been said to date, however, regarding the relatively large group of passengers who have expired preceding their trip. In this group we are obviously not concerned with hypoxia or decompression, but rather with typical stress, excitement, and the urgency of boarding the aircraft. It is our firm conviction that known cardiacs who elect to fly be advised that prolonged trips be broken up with adequate rest between legs. Greater stress should be laid on having signed release slips from cardiac passengers whenever this is known before flight in order to curtail future litigation.

Previous surveys of passenger deaths have reported only in-flight and immediately post-flight incidents. The Federal Aviation Agency has reported only in flight non-accidental deaths, but none for those who died prior to flights. (1) The situation at John F. Kennedy International Airport is unique in that it provides us with an opportunity to see passengers before they are to board a flight as well as those who have died on the aircraft on arrival. A series of fifty-five random cases of deaths occurring prior to flight, in flight, or in the immediate post-flight period are presented. The series of cases followed no pattern other than chronological order over the ten year period from 1957 to 1967. Cases were eliminated from this series where there was no record of autopsy or postmortem inspection. The oldest reported case was 83 years and the youngest 22 days. The average age of the group was 61 years. Males accounted for 44 or 80% of the deaths. It is estimated that 60% of all air travelers during this period were males.

Analysis of Table 2 reveals the interesting finding that twenty-four of [illegible] cases or 43.6% died before their scheduled flight. Almost all of these are found to have had a history of heart disease, diabetes or both. Post flight deaths accounted for fifteen cases or 27.2% and the sixteen remaining cases occurred during flight.

Thus pre-flight and post-flight deaths accounted for the bulk of this series (70.9%) and in-flight deaths only 29.1%. Further effort should be made by the air carriers to ease the burden of the passenger during this phase of the trip. This is particularly true for the elderly cardiac. Moving sidewalks, ramp, escort, earlier check-in times and generally more adequate assistance may all serve to decrease the toll in this group. There is essentially no sharp demarcation between pre-flight, in-flight and post-flight deaths. Effort and stress while checking in and boarding are not proportional to incidence until later. If overall mortality figures for the cardiac death were ever expressed in those people who choose to fly, then we have accomplished all that can be done to eliminate the added hazard of flight on the cardiac.

In analyzing the past histories, it is noted that only twelve of fifty-five or less than 22% either had no previous illness or the history was unobtainable. Forty-one of the cases had a positive history of heart disease in some form. Causes of death are listed in Table II.

Summary:

1) A series of fifty-five cases of deaths recorded at John F. Kennedy International Airport from 1955 to 1965 is presented.
2) Pre-flight deaths accounted for 41.8%, in-flight for 30.9% and post-flight for 27.3%.
3) The vast majority of the series (75%) has a positive history of heart disease before the flight, 22 of which were hypertensive or had arteriosclerotic heart disease.
4) Fifty-three of the fifty-five cases were diagnosed at autopsy or postmortem inspection as heart disease in some form.
5) Previous myocardial infarctions (10) accounted for 18% of the cases.
6) [illegible] was one of the causes.

Comment:

The high proportion of pre-flight deaths, occurring with none of the stresses of flight including hypoxia and flight, can only be explained by the increased anxiety, nervous tension and stress accompanying check-in at flights; passengers rushing for counters and gates carrying the inevitable airline bags, cameras, overcoats and assorted impedimenta of the occasional air traveler are a common sight at any major airport. Long "chicken walks" to aircraft positions still present a major problem of air terminal design.

Post-flight deaths are influenced by fatigue, the excitement of landing, preparation for deplaning, the long line to Immigration, Public Health and Customs. This group accounted for fifteen or 27.3% of the cases considered.

It is evident that Hypertensive and Arteriosclerotic Heart Disease, Myocardial Infarction and Coronary Arteriosclerotic Occlusion account for the great bulk of this series of deaths.

TABLE [illegible]

SELECTED CASE HISTORIES OF PASSENGER DEATHS [illegible] - [illegible]

Sex & Age	Previous Illness	Precipitating Factor	Cause of Death
M - [illegible]	Heart disease six months. Treated the previous day for chest pain.	Collapsed while boarding	Hypertensive Cardio-vascular Disease
F - [illegible]	Heart disease eight years ago. Treated four days before.	Post-flight	Hypertensive Cardio-vascular Disease
M - [illegible]	Heart disease for six years.	While rushing to plane gate, collapsed	Arteriosclerotic Heart Disease
M - [illegible]	Heart disease eight years. Taking anti-coagulants. Examined day before death.	Died post-flight	Coronary Sclerosis Arteriosclerotic Heart Disease
F - [illegible]	Arteriosclerosis	Died in-flight. Aircraft returned to airport.	Coronary Sclerosis
M - [illegible]	Angina pectoris. [illegible] [illegible] eight weeks. Taking nitroglycerin.	Died in-flight three hours before landing.	Coronary Occlusion Arteriosclerotic Heart Disease.
M - [illegible]	Heart disease	Died at counter checking in baggage	Hypertensive and Arteriosclerotic Heart Disease. Myocardial Infarction, old and recent
F - [illegible]	Negative	Died in aircraft two hours before landing	Occlusive Coronary Arteriosclerosis
M - [illegible]	Negative	Boarded flight after running for plane in Texas. Chest pain on board. Oxygen in-flight. Died in ambulance	Myocardial Infarction Coronary Thrombosis Coronary Sclerosis
M - [illegible]	Unknown	Collapsed during flight from [illegible]	Hypertensive Cardio-vascular Disease
M - [illegible]	Heart disease two years. Hospitalized for two weeks before. Taking cardiac medication.	Complained [illegible] pains [illegible] flight	Myocardial Infarction Coronary Sclerosis
F - [illegible]	Angina and Coronary Occlusion.	Collapsed in aircraft before flight.	Hypertensive Cardio-vascular Disease

Sex & Age	Previous Illness	Precipitating Factor	Cause of Death
F - 55	Diabetes. Hypertension. Diabetic coma in Paris five days previously.	Collapsed immediately post-flight.	Hypertensive Cardio-vascular Disease. Diabetes.
F - 33	Hypertension and diabetes seven years. On insulin.	Nausea and difficulty in swallowing while in-flight. Collapsed immediately post-flight. Open heart massage. IV Glucose. Intra-cardiac Adrenalin and Coramine.	Hypertensive Cardio-vascular Disease. Diabetes.
M - 72	Hypertension two to three years. Peripheral edema three days pre-flight	Post-flight	Hypertensive Cardio-vascular Disease
M - 78	Heart disease four years on digitalis	Between flights, collapsed at gate	Arteriosclerotic Heart Disease
M - 62	None	Collapsed pre-flight	Hypertensive Cardio-vascular Disease
M - 39	Heart Disease	Died at gate, post-flight	Coronary Occlusion, old and recent. Myocardial Infarction, old and recent
M - 73	Past history diabetes. Dyspnea on exertion, dizziness.	Died at gate, pre-flight	Diabetes. Hypertensive Heart Disease
M - 48	Heart disease ten years. Angina. Hospitalized twice for heart disease.	Collapsed at ticket counter, pre-flight.	Myocardial Infarction, old. Coronary Sclerosis.
M - 59	Unknown	Appeared to "sleep" through. Early rigor mortis on arrival	Coronary Sclerosis. Chronic Pulmonary Tuberculous Cavitation.
M - 71	Three coronaries and one cerebral vascular accident	Collapsed at counter, pre-boarding	Arteriosclerotic Heart Disease
M - 61	Coronary Insufficiency. Hospitalized several times. On anticoagulants. Second degree heart block.	Died between flights at counter.	Arteriosclerotic Heart Disease.
F - 30	Heavy drinking two or three months. "Tumor" of Genitalia (Fibromyoma)	Died in air	Fatty liver, fatal epileptic attack with convulsion of undetermined etiology.
M - 60	Coronary Disease	Collapsed at gate before leaving.	Coronary Sclerosis.
M - 59	Heart disease two years. Diabetes.	Collapsed in terminal before flight.	Diabetes. Arterio-sclerotic Heart Disease.

Sex & Age	Previous Illness	Precipitating Factor	Cause of Death
M 68	None	Died immediately post-flight	Hypertensive Cardiovascular Disease
M 73	Known Coronary. Last examined two days before.	Collapsed in lounge pre-flight.	Coronary Thrombosis. Arteriosclerotic Heart Disease
M - 79	Intestinal disorder.	Died in aircraft. Miami - New York.	Arteriosclerotic Heart Disease. Partial intestinal obstruction with distention Hernia
M 74	Diabetes.	Died in aircraft on landing.	Arteriosclerotic Heart Disease. Diabetes
M - 60	Unknown	Died post-flight from England.	Myocardial Infarction old and recent. Advanced Atherosclerotic Coronary Arteritis
M 70	Heart Disease and hypertension.	Collapsed in aircraft before flight.	Arteriosclerotic Heart Disease
F - 47	Unknown	Vomiting and respiratory difficulty in aircraft. Loss of sphincter control. Expired in air. Puerto Rico New York.	Occlusive Coronary Arteriosclerosis
F 76	High blood pressure and arteriosclerosis, eight years. Several hospitalizations. On medication for high blood pressure. Frequent fainting spells, three years.	Collapsed at gate before departure.	Hypertensive Cardiovascular Disease. Congestive Heart Failure
M - 30	None	Died in aircraft before take off	Coronary Occlusion Myocardial Infarction Myofibrosis
M - 43 days	None	Died in-flight. Puerto Rico New York	Pulmonary Edema of undetermined origin overwhelming infection dehydration
M - 48	Hospitalized for "coronary spasm" two months before.	Died in aircraft. Puerto Rico - New York.	Myocardial Infarction Coronary Sclerosis
M - 71	Previous "heart attack."	Died immediately post flight.	Coronary Occlusion Arteriosclerotic Heart Disease
M - 62	None	Died in aircraft England to Halifax. Brought to New York	Myocardial Infarction Coronary Sclerosis

Sex & Age	Previous Illness	Precipitating Factor	Cause of Death
M 70	Hospitalized four years intermittently for heart disease. Last attack, two months before.	Died immediately post flight.	Coronary Sclerosis
M 45	None	Died in flight London New York.	Hypertensive Cardio vascular Disease
M 70	Five year history of Coronary Thrombosis. Several attacks.	Collapsed immediately post flight.	Coronary Sclerosis Hypertensive Heart Disease
F - 70	Heart disease and obesity.	Collapsed pre flight.	Coronary Occlusion Arteriosclerotic Heart Disease
F - 50	Heart attack four years ago. Diagnosis Coronary Occlusion. Fatigue and dyspnea for two or three weeks.	Collapsed on aircraft before flight.	Arteriosclerotic Heart Disease.
F - 57	Heart disease many years, breast amputation.	Died in flight Miami - New York	Hypertensive Cardio vascular Disease
M 55	None	Died in terminal post flight	Coronary Occulsion Myocardial Infarction
M - 66	Heart disease fiften years.	Died immediately post flight from Arizona.	Arteriosclerotic Heart Disease
M 75	Heart disease, chest pain and dyspnea one week before.	Immediately post flight Miami - London	Arteriosclerotic Heart Disease
M 42	Two previous coronaries. Occlusion two months before, cardiac failure two weeks before.	Died in aircraft London - New York	Myocardial Infarction due to Hypertensive Cardio vascular Disease
M 70	Heart disease.	Collapsed on way to aircraft gate.	Myocardial Infarction Coronary Sclerosis Carcinoma of Prostate
M 58	Hypertension, twp years.	Died between flights. Experienced left arm and chest one hour previous.	Hypertensive Cardio vascular Disease Myocardial Infarction
M 80	Heart Disease.	Collapsed pre boarding.	Arteriosclerotic Heart Disease. Adams Stokes Syndrome
M 68	Heart disease.	Collapsed walking from taxi to terminal.	Coronary Sclerosis
M 65	Heart disease.	Collapsed in terminal pre	Hypertensive Cardio vascular Disease
M 42	None	Died in air taxi on landing Kennedy.	Arteriosclerotic Heart Disease

TABLE II

CIRCUMSTANCES OF DEATH

Location	No. of Cases	Percentage
Pre-Flight	21	43.75%
During Flight	14	29.17%
Post Flight	13	27.08%

TABLE III

CAUSES OF DEATH

Hypertensive Cardiovascular Disease	12
Myocardial Infarction	10
Arteriosclerotic Heart Disease	9
Coronary Sclerosis	3
Coronary Occlusion and Arteriosclerotic Heart Disease	3
Hypertensive Cardiovascular Disease with Diabetes	1
Occlusive Coronary Arteriosclerosis	2
Coronary Sclerotic Heart Disease	2
Arteriosclerotic Heart Disease with Diabetes	[illegible]
Coronary Sclerosis with Chronic Pulmonary TB.	1
Fatty Liver, Fatal Syncopal Attack	1
Arteriosclerotic Heart Disease with Intestinal Obstruction	1
Overwhelming Infection, Dehydration	1
Mitral Disease, Coronary Sclerosis	1

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He remembers 'BLACK SUNDAY'

By C. V. Glines

The collision of two jumbo airliners at Tenerife in the Canary Islands on "Black Sunday"—March 27, 1977—confirmed the worst fears of the world's airport managers. It is possible to have hundreds of crash casualties at an airport within a few seconds. Lives can be saved only if the response is prompt and adequate.

In recent years, the helicopter has played an ever-increasing role in airport disaster planning to provide for the evaculation of the seriously injured to nearby hospitals. However, Dr. Leon D. Star, director of the Medical Office at New York's John F. Kennedy International Airport, says that is not good enough. Although evacuation to a hospital is certainly better now than in the days before helicopters, lives can be lost during this process.

How can lives be saved?

Dr. Star says, "Bring the hospital to the emergency instead of the emergency to the hospital. This includes trauma teams representing the hospital."

Sounds logical, but who can imagine how this could be done?

Dr. Star can. He has used his imagination to fashion what should be actively considered by management at every airport. He has devised a new piece of equipment which he calls an "Emergency Mobile Hospital" and it is exactly that. It is a double-decked vehicle, 18-feet high, 60-feet long and 12-feet wide. Self-propelled, it contains an operating room, burn beds, a laboratory, intensive and special care units. Fifty patients can be cared for with heart monitors available for each patient. A blood bank has just been authorized. An X-ray machine is part of the equipment. It is possible, utilizing the mobile hospital, to treat and care for some injuries for periods of hours to several days if necessary. The hospital can be airlifted by a "Skycrane" helicopter.

Sounds like an expensive piece of equipment, but it cost Dr. Star only $600 for the vehicle. It was formerly used by United Airlines to store passenger seats from their convertible model B-727's. Much of the medical equipment inside has been donated by sponsors whose names are listed on the side of the vehicle as a hint to others who might want to be a part of his project.

It has taken about a year for Dr. Star to convert the huge vehicle into the world's first airport mobile hospital. The idea grew from his 27 years at JFK and 25 years and 5,000 hours as a pilot, commuting in his Beech Baron to and from his home on the eastern end of Long Island. He has witnessed the aftermath of crashes at JFK over the years and noted that as aircraft get larger and more powerful, the injuries get more severe.

"It's now possible to have several hundred people lying all over the airport who need immediate attention and stabilization," Dr. Star says. "Hospital beds are at a premium. Burn cases should go to a burn center; orthopedic cases should go to an orthopedic hospital, but multiple movements can kill. Medical specialists should be brought to the scene and be able to operate there. With a fully equipped mobile hospital on the scene, the experts will have what they need to do their respective jobs."

Dr. Star, a chest and general surgeon, runs the facility at JFK known as the Medical Office. There are 15 physicians and a total of 60 people on his 24-hour-a-day, seven-days-a-week roster—a far cry from the two doctor, one nurse operation of a quarter century ago.

Dr. Star, with his thoroughly dedicated team, has made the total operation a model for other airports to emulate. While heart attacks, industrial injuries, auto accidents and the myriad aches and pains that can be generated by a working airport population help to provide the income that keeps the facility going, the spector of a sudden mass disaster is always present. The experience of the past is what has motivated Dr. Star to speak out for more effective FAA airport certification standards with more rigid requirements for airport disaster plans and disaster simulations.

Dr. Star outlines the proposed revision to the JFK disaster plan: "Five major hospitals will be incorporated into the plan. At the signal of a crash, predesignated specialist trauma teams will assemble at each hospital to be airlifted by helicopter to the airport. The designated hospitals each have an on-site helipad. Helicopters will be prearranged from several sources: New York City police, New York Airways, U.S. Coast Guard, U.S. Army and several private helicopter companies. The JFK Medical Office will serve as the initial medical command post with all the required communications facilities.

"Since an overwhelming number of injuries may be assumed in an airport disaster, it is obvious that hospitals, even in a city the size of New York, would experience tremendous difficulty in providing immediate definitive care."

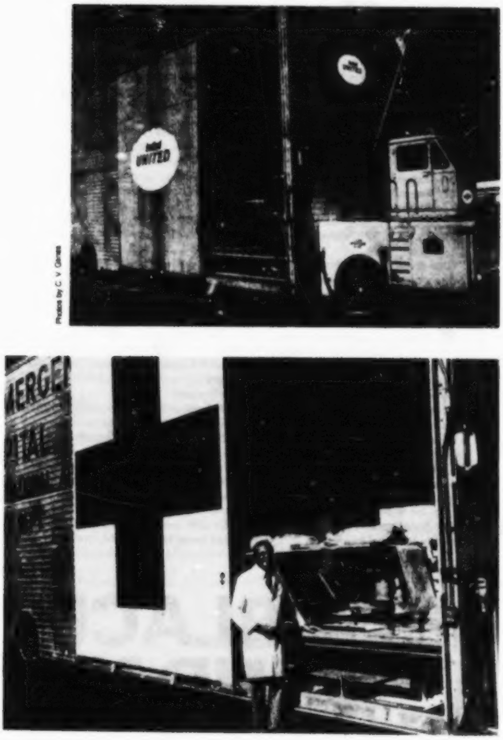
To provide temporary care before the mobile hospital came into being, Dr. Star had obtained a mobile unit with sides which inflate to provide cover for 60 to 80 patients. This unit would still be used as a triage center and for treatment for those not requiring surgery. It would be set up near the mobile hospital.

"As the specialist trauma teams arrive, they report to the mobile hospital and begin working with those patients that the physician teams identify in the triage center as needing emergency procedures which the specialists can best perform," according to Dr. Star's plan. "The patients would be evacuated to the proper hospitals only after their condition had been stabilized.

"While triage and treatment are being accomplished, the medical director would determine the number and types of injuries. Hospitals within the JFK plan, some as far away as 100 miles, would be contacted to provide information regarding the numbers of beds available in such categories as burns, fractures, neurosurgical, etc."

Dr. Star firmly believes that the same principles—mobilization, stabilization and evacuation—can be applied to smaller airports in rural areas. A modification of his mobile hospital could be designed which could be used either on the airport

This special van, formerly used by United Airlines to store seats from convertible B-727's, may soon join a similar one transformed into a complete mobile hospital at JFK International Airport (shown below). Dr. Leon D. Star, the airport's medical director and originator of the mobile hospital, makes a daily inspection of his brainchild. His concept is "Bring the hospital to the emergency instead of the emergency to the hospital."



Photos by C V Gares

or in surrounding areas in the event of a major disaster.

The hard-driving medical innovator is already improving on his prototype. He has located six other double-deck vans no longer used by the airlines and visualizes that two or four could be hooked up in tandem or in the form of a cross if necessary at the scene of a major disaster like an earthquake. He is also designing a modularized mobile unit similar in size to the 8- x 8- x 40-foot containers used on cargo ships which could also be used singly or in tandem. They could be airlifted by helicopter or cargo aircraft where needed.

"The whole idea is to bring the hospital to the emergency," Dr. Star says. "All too often, a patient dies enroute to a hospital simply because he hasn't been medically stabilized before he was moved. Panic evacuations must be avoided. Transporting a severe burn case to a pediatric or geriatric hospital might be fatal for the patient just as surely as not giving him any care at all. That's why bringing the hospital and the specialists to the scene is the answer and that's the direction those concerned with disaster planning should be going."

Dr. Star, long a proponent of airport disaster planning, believes the only reason more progress hasn't been made in this area is because it takes someone to organize the effort at each location.

"They say New York is a 'cold' place and that it would be impossible to mobilize medical forces here in event of a disaster. I don't believe that," Dr. Star says. "In October 1976 we had a disaster simulation here and nearly 200 doctors, nurses, firemen, police and rescue personnel rushed from their posts to aid the 150 'victims' we had. The emphasis then was on burn cases. Next time, we'll give the mobile hospital a workout with all kinds of simulated cases."

The point is, as Dr. Star has told hundreds of his colleagues at medical meetings, "People will help but they must be asked and organized; it is time to overcome the lack of motion that is so prevalent in disaster planning."

ALPA, through the efforts of the Rescue and Fire Committee, strongly supports Dr. Star's efforts. Having scored a victory over apathy by pushing for many years for airport certification, it is now the consensus that the time has come to strengthen FAA regulations in regard to airport disaster planning. In the view of the Fire and Rescue Committee, drills and simulations should be mandatory in order to test and improve the plans. On a broader scale, Dr. Star advocates that every community should consider having a disaster plan, whether it has an airport or not. The model set by the nation's airports could be used as a guide, he says, and adds, "the U.S. government should get involved and help finance such efforts."

While financing a mobile hospital could be expensive, JFK's medical director does not believe it has to be. Although he paid the $600 for his hospital van out of his own pocket, much of the equipment inside was donated by more than a dozen sponsor companies located at JFK, including Pan American, Delta and Eastern. Medical equipment in almost every community could come from hospitals and physicians updating their equipment, and through the support of civic groups.

Although the JFK mobile hospital is new, word about it has spread quickly. Many inquiries have been received in recent weeks, especially from foreign countries where natural disasters are all too frequent.

There are recent developments that bode well for disaster planners, including those concerned with airports. Last May, it was announced that federal funds previously earmarked solely for civil defense may now be used for community disaster planning. The American Medical Association is getting more involved; its Commission on Emergency Medical Services basically supports the mobile hospital concept.

The "impossible" that Dr. Star has overcome at JFK could be a reality anywhere provided there is close cooperation between airport authorities, the communities they serve and concerned state and federal government agencies.

While few of the world's airports have the large medical facility JFK has, it is felt the concept can be applied to smaller airports in some form. ALPA's Fire and Rescue Committee encourages training of emergency medical technicians from among airport employee groups, especially firemen, and wholeheartedly supports the mobile hospital idea which Dr. Star has made a reality.

ALPA members, airport managers and interested medical personnel are invited to visit the JFK Medical Office whenever they are passing through. Dr. Star especially welcomes inquiries from airline pilots because he believes they fully understand the need for better airport disaster planning and are its most stalwart supporters.

"After all," he says, "they visit the world's airports more often than any other group. They feel that their responsibility for their passengers includes demanding the best protection that can be devised. I happen to agree with them." □

Dr. Star's prototype mobile hospital contains an operating room that can be raised and lowered to either level of the double-decked, self-propelled vehicle. It also has special beds for burn patients, X-ray equipment, heart monitors and a laboratory.

The Mobile Emergency Hospital

An ER that meets victims at the scene

By Leon D. Star, MD
and Louis C. Ableson, MD

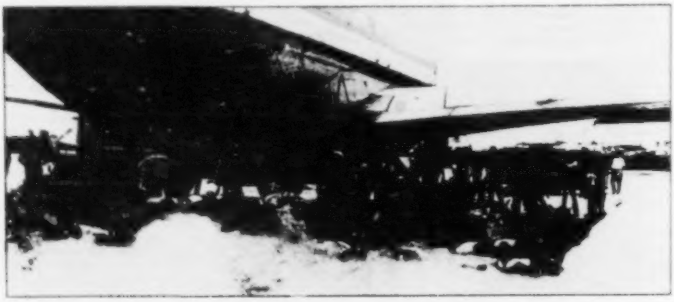
The Emergency Mobile Hospital is placed down on the runway in a disaster simulation at JFK airport (above). Below, "victims" are scattered about the runway. Photos courtesy of the New York Port Authority.

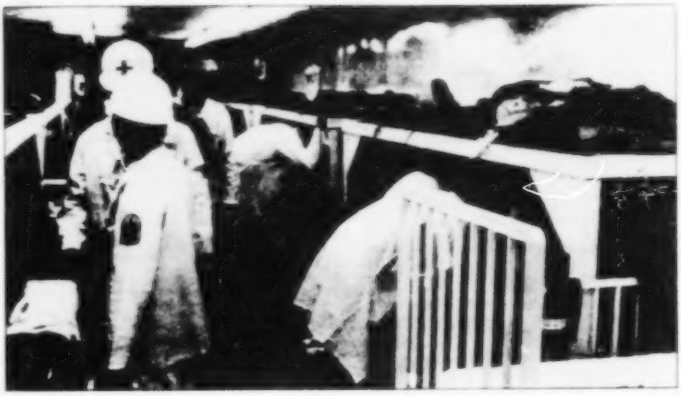
THE OPENING PARAGRAPH of a communication submitted to the Scientific Committee of the Aerospace Medical Association on November 28, 1976 reads:

"A disaster resulting from a runaway collision between a 747 with 400 passengers and a DC-10 carrying 370 can result in literally hundreds of survivors with widely varying injuries. Such an incident is certainly not imaginative. In 1958 two multi-engine aircraft, one a freighter and the other a scheduled airline about to board 130 passengers, were engulfed in flames when the freighter lost control on takeoff, striking the passenger plane on the ramp. In today's reference such an incident involving two jumbo jets with their greater structural integrity could produce mind-boggling casualties."

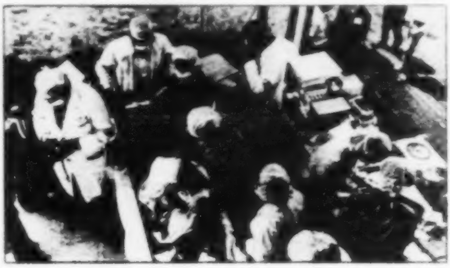
"Black Sunday" at Tenerife in the Canary Islands focused worldwide attention on the need for more adequate handling of air crashes at both large and small airports and communities. With more than 500 deaths in one "incident," the time has long passed for administrative foot-dragging. To make the matter even more urgent are recently disclosed plans to double-deck jumbo jets such as the 747, increasing their capacity to 700 passengers per plane.

The purpose of this article is to describe a new piece of equipment which, for want of a better word, we will





A section of the 50-bed capacity unit is viewed above, while doctors "operate" on a patient in a separate compartment.



call "The Emergency Mobile Hospital." The vehicle is 18 feet high (two floors), 60 feet by 12 feet, self-propelled, containing an operating room, ICU and SCU. It has a 50-bed capacity with monitors to each patient. This unit is stationed at the JFK Medical Office, ready to roll at all times.

Five major hospitals will be incorporated into the JFK Disaster Plan. At the signal of a crash, *predesignated* specialist trauma teams will assemble at each hospital to be airlifted by helicopter to the airport. The designated hospitals each have an on-site helipad or a landing area nearby. Helicopters used for this purpose will be prearranged from several sources: New York City Police, New York Airways, U.S. Coast Guard, U.S. Army and private helicopter companies. The on-site JFK Medical Office, physically manned 24 hours a day with a medical staff of 60, will serve as the initial medical command post.

Dispatching of arriving trauma units to the scene will be the responsibility of the medical director or his deputy, operating initially from the JFK Medical Building. Radio communication will be maintained between the scene and the Medical Building for proper disposition of personnel and equipment.

Since an overwhelming number of injuries may be assumed in the kind of disaster under discussion, it is obvious that hospitals even in a city the size of New York would experience tremendous difficulty in providing *immediate definitive* care.

We have previously reported on the use of a mobile inflatable unit which accompanies fire units and has a capability of 60 to 80 patients, all under cover. This unit will be set up at the scene in proximity to the mobile "hospital" serving as an ideal triage area as well as an additional treatment area for those not requiring immediate surgical procedures.

The responding specialist trauma teams are immediately dispatched to the scene. Definitive operative treatment begins in the mobile hospital van including such emergency procedures as thoracotomies, tracheostomies, laparotomies, cranial burr holes, etc.

Utilizing the mobile hospital, it will be possible to treat and care for some injuries for periods of hours to a day or more, resulting in proper stabilization prior to evacuation to the proper hospitals as beds become available. The triage will be done by physician teams. A severe burn case sent to a pediatric or geriatric hospital can be a disaster in its own right.

While triage and treatment are initiated and implemented, the medical director determines the number of injuries. Hospitals within the JFK plan, some as distant as 100 miles, provide information regarding numbers of available beds in catagories — e.g burns, fractures, neurosurgical, etc. Evacuation to these centers is made only after the patient has been stabilized — shock-treated, hemorrhage-controlled. Transportation can be accomplished by helicopter or ambulance depending upon road and traffic conditions. There is no excuse for a shock victim expiring en route to a hospital in an ambulance trapped in traffic.

The same principles of immobilization, stabilization and evacuation may be applied to smaller airports in rural communities. A modification of the mobile hospital can be utilized by these airports for use both at the airport and in surrounding areas in a major disaster. We are currently engaged in producing a modularized unit the size of a container used on container cargo ships — 40' x 8' x 8' — capable of being used singly or in tandem. Medical facilities within the container include an operating room and bedspace limited only by the number of containers and supplies. They may be lifted by helicopter and deposited half way up a mountain or on a remote beach. One can be carried on a 747 or Hercules cargo plane for hundreds of miles when needed. They are road-mobile at 90 kilometers per hour (56 mph) by simply hitching each to a truck cab.

We must consider bringing the hospital to the emergency instead of the emergency to the hospital. Too frequently the patient expires en route because of the lack of proper stabilization prior to evacuation. The principle of assembling trauma teams for the initial phase remains the same as that for Kennedy Airport. *Prearranged* teams can be flown to the scene from urban centers to stabilize the patients at the crash site, again avoiding the spectre of unnecessary deaths by panic evacuations to general hospitals.

In summary: 1) a new type of field equipment has been devised called the Mobile Emergency Hospital; 2) A plan is submitted whereby airports — both those in proximity to major cities as well as those in rural areas without major medical support — can handle large numbers of air disaster casualties by applying the principles of mobilization, stabilization and evacuation; 3) This plan does not limit itself to air disasters — it is as readily applicable for the care of victims of flood, tornado, hurricane, earthquake or fire, with minor variations.

In the U.S., it is conceivable that financial support for such a plan for airports and communities may be available from federal sources. On May 18, 1977, it was announced that funds for civil defense previously earmarked for that purpose only may now be utilized for any disaster-planning by the community. Establishment of units such as those described could well become a reality, with close cooperation between the airport, the communities and funding government agencies. □

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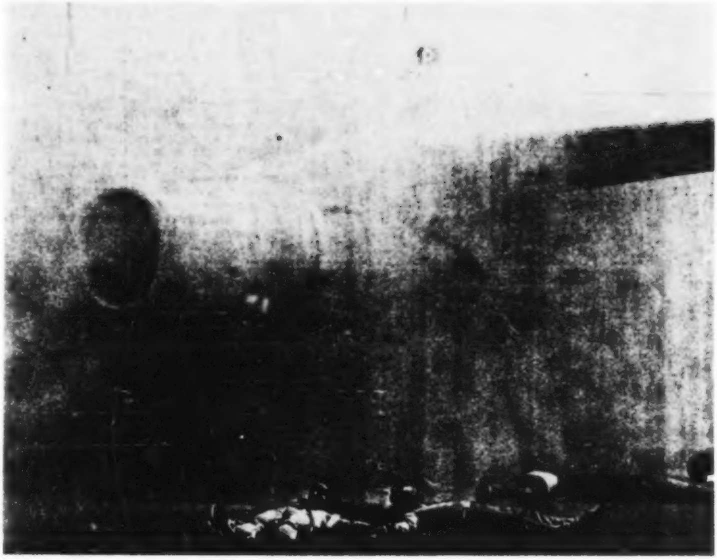
Communication, Aerospace Medical Association Scientific Committee to Medical Department, Kennedy Airport, December 9, 1976.

Leon D. Star, MD, FACS, is director and physician in charge of the Medical Office at Kennedy International Airport in Jamaica, New York.

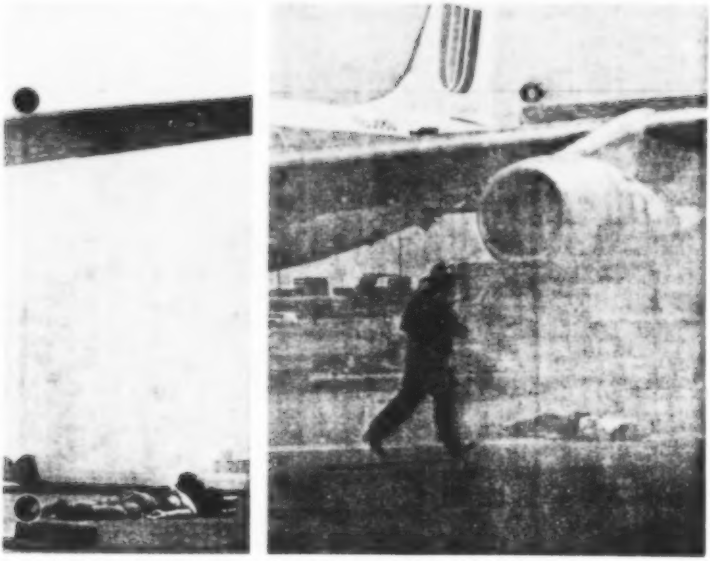
Louis C. Abelson, MD, is assistant director at that facility.



Simulating Disaster

By J. Ponte, Jr.

ALPA reminds airports and
their surrounding communities
that yearly practice is
a big part of being
prepared for "the worst."



To test the effectiveness of their emergency procedures, ALPA recommends that every air carrier airport conduct one full-scale simulated disaster each year. At Boston's Logan International (above) smoke bombs and a United Airlines Super DC-8 added to the drill's realism.

Airplanes sometimes crash. That has been an inescapable aviation fact of life ever since the Wrights finally got their *Flyer* off the ground on that raw Kitty Hawk morning over 75 years ago. Ever since those beginnings, in concert with aviation technology's exponential growth, countless man hours and sums of money have been spent to make flying as safe a means of transportation as possible. And that effort has succeeded exceptionally. Air carriers have posted an outstanding safety record, which is constantly improving. But periodically, due to equipment failure, human error, the weather, or combinations thereof, an accident will occur.

Pilot training has always reflected such an eventuality. "Any pilot—from the first day he gets into an airplane on his first flight—is trained to 'be prepared' for an accident," explains Capt. John X. Stefanki, a 33-year veteran with United Airlines, who chairs ALPA's Airport Disaster Planning Subcommittee and is a member of the Association's Rescue and Fire Committee. "You hope it's never going to happen. But most of a pilot's training sessions are predicated on the various abnormalities and emergencies that can happen. And the training is designed so that when they do happen, the pilot can take care of them." He believes that aviation's ground facilities must be similarly prepared.

For nearly a decade, Stefanki has been actively working in the area of airport disaster planning, focusing on a relatively new aspect of such preparation: the simulated aircraft disaster exercise. The 58-year-old Boeing 727 captain was instrumental in organizing the first drill at California's Oakland International Airport in 1971 and has since been a major influence in motivating airports around the country to conduct their own yearly disaster simulations. [*Captain Stefanki's efforts will be recognized in October at ALPA's annual Air Safety Workshop where he will receive the Association's prestigious annual Air Safety Award.*]

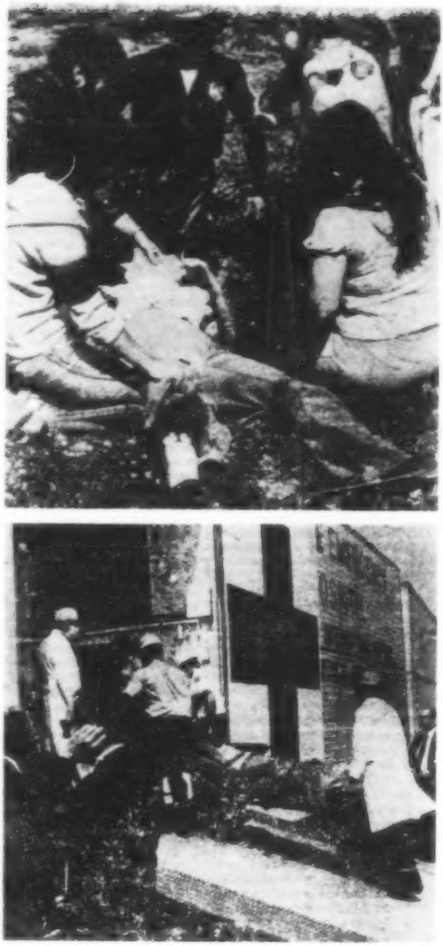
Based on his critiques of disaster control techniques after actual accidents, Stefanki is convinced that the full-scale simulated disaster drill provides "by far" the best type of preparation for the real thing. "The more people are familiar with each other and the more drills they've had—the smoother the operation and the better the medical care received by casualties," he emphasizes. Unfortunately, the Federal Aviation Administration (FAA) does not feel as strongly about requiring airports to conduct drills as do Stefanki and ALPA. While Federal Aviation Regulation 139.55 details airport requirements for an emergency plan, no provision is made for an exercise to test its viability.

"The recommendation of ALPA's Rescue and Fire Committee," says Stefanki, "is that each airport that has air carrier aircraft flying into it be required to have one simulated full scale drill per year to indicate to FAA that the airport's written disaster plan actually works." He adds that the National Fire Protection Association fully supports the ALPA proposal.

Cooperation improving

Nevertheless, disaster planning efforts have included a growing number of accident simulation drills in recent years. Stefanki notes that, while not mandating the activity, FAA supports the accident drill concept and recommends that airports conduct periodic exercises. He singles out FAA airport certification officials in the agency's Rocky Mountain and Western regions as having been particularly cooperative in helping airports set up mutual aid disaster plans with surrounding communities. The days when an airline's station manager was charged with preventing adverse publicity by painting out the carrier's name on an aircraft involved in an accident are over. "Fortunately," Stefanki explains, "the philosophy is changing" and is being reflected in the planning efforts of air carriers, airports, and surrounding communities so that "when, not if, a disaster strikes, they will be prepared to save maximum lives and property."

In June, two of the country's busiest airports, New York's Kennedy and Boston's Logan, conducted, respectively, their seventh and tenth disas-



Simulated injuries play an important part in the disaster exercise. A victim at Logan (above) is treated for multiple injuries and smoke inhalation. At JFK's drill, the airport's mobile emergency hospital (below) was heavily utilized for casualty care.

ter drills. Both airports established nearly identical scenarios for the exercises: an airliner (Pan Am provided a Boeing 707 at Kennedy while United loaned Logan a Super DC-8) with 150-200 passengers on board gets into trouble near the airport and crashes or explodes while landing. There are numerous casualties in both cases, ranging from minor injuries to deaths. To effect realism, victims (mostly nursing students from Massachusetts General Hospital at Logan and some 200 Boy Scouts at JFK) displayed wounds, which were applied by means of moulage—a method of artificially creating various types of wounds and burns. Along with their sometimes gory-looking injuries, the volunteer victims added to the drama by feigning pain.

Originally, the JFK accident drill was to be conducted in a marshy area near the airport in order to simulate an off-airport incident; however, due to insurance restrictions as well as logistical problems, officials changed the site to a seldom-used ramp on the edge of the airport. Airport fire department personnel were the first on the scene and set to work exactly as they would had the aircraft been engulfed in flames. Immediately following firefighters came medical personnel, dispatched from JFK's 24-hour medical facility. Some were doctors and nurses assigned to the airport medical office; many others were volunteer paramedics from various points on the airport.

An aircraft disaster exercise normally focuses on the crash's medical aspects, such as rescue, triage (the sorting of and allocation of treatment to patients based on a priority system designed to maximize survivors), stabilization, and transport to appropriate facilities, Stefanki says. At Kennedy, these operations are the responsibility of Dr. Leon D. Star, director of the airport's medical office. Star, a surgeon who has been dealing with emergency medical treatment since World War II, has devised a unique concept for the treatment of victims at an accident scene. [See "He Remembers 'Black Sunday,'" *Air Line Pilot*, February 1978.] Using two converted storage vans, formerly used to store seats from quick-change B-727s, as mobile emergency hospitals, Star is able to realize his philosophy for emergency treatment: "Bring the hospital to the emergency instead of the emergency to the hospital."

On-scene medical care

By the time triage had been initiated at the accident site, both mobile hospitals had arrived on the scene. Each mobile unit (one is undergoing final outfitting) is equipped to enable doctors to perform major emergency surgery. Victims not requiring surgery can be stabilized within each mobile hospital's modern 50-bed facility. Star believes strongly that seriously injured victims must be stabilized at the disaster scene, explaining that many casualties suffer greater injury and often die in transport to a permanent medical facility.

Another innovative medical concept incorporated during the Kennedy accident simulation was that of airlifting doctors to the scene via helicopter and fixed-wing aircraft. Part of the airport's emergency plan includes provisions to fly in 150 trauma specialists from several medical facilities in the New York City area. These same helicopters and airplanes can then be used to evacuate victims requiring specialized care. An Air National Guard (ANG) unit, originally scheduled to participate in the drill, was unable to take part, but the ANG helicopters were more than adequately replaced by small fixed-wing aircraft, flown by volunteers. JFK's operations manager, Gerald P. Fitzgerald, who felt Operation S.A.F.E. (Simulated Aircraft Fire Exercise) was carried out exceptionally well, said that the fixed-wing operation worked so effectively the concept may be expanded.

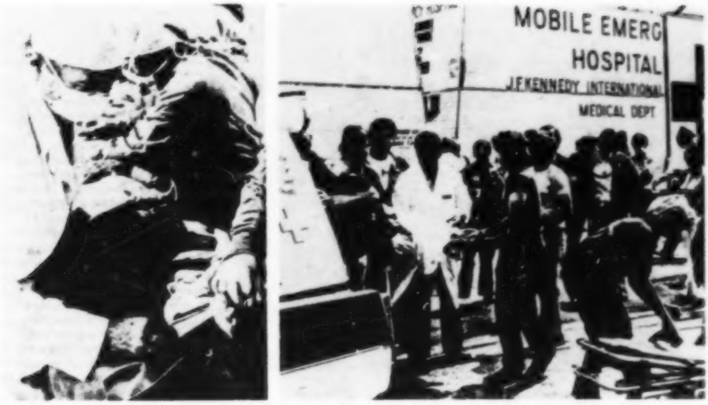
Close scrutiny at Logan

Logan International Airport's tenth annual simulated disaster exercise was conducted in full view of several hundred American Association of Airport Executives members, who were in Boston for the group's annual convention. Logan's emergency procedures could not have been displayed before a more critical gathering.

Airline support of the Logan drill was considerably more visible than at JFK. Eastern, Allegheny, and British Airways each provided personnel to help in the transport and care of casualties. Three Eastern flight attendants were on board the "crashed" DC-8 and aided rescuers in removing victims from the aircraft. Because some of these people had suffered simulated back injuries, they had to be transported on backboards. The injured passengers and flight attendants were removed from the aircraft by means of a catering truck, supplied by Marriott, that could be raised to the height of the aircraft's aft cabin door. The truck, which greatly facilitated the removal effort, or a similar one, will be available for an actual emergency at Logan.

Airline personnel manned secondary triage areas, which were established at three terminal buildings to care for passengers that suffered little or no injury. During an actual incident, these passengers are bused to the terminal and, in addition to receiving a medical examination, would be provided with telephones and assistance in arranging lodging or travel and contacting friends or family. Carrier representatives were also on hand during the drill to establish and maintain communications between the disaster scene and the airline's communication center.

Yet, despite months of preparation and in-depth planning by Logan Airport officials, some unexpected problems arose on the day of the simulation. The city's emergency medical teams, trained technicians who operate Boston's ambulances, were involved in a labor dispute and decided to boycott the exercise. The result was a serious deficiency in transporting casualties from the primary triage area to nearby hospitals. Fortunately, an Army medical battalion that was participating in the drill was able to provide ambulance support; how-



At JFK, the seriously injured are treated in one of two mobile hospital vans, where, under the supervision of airport medical director Dr. Leon Star, patients can be stabilized. If additional treatment is required, victims can be airlifted to a nearby hospital. Kennedy's emergency plan also includes provisions to airlift up to 150 doctors, specially trained in trauma treatment techniques, to the disaster site.

ever, the casualty transport process was delayed.

Though they provided valuable assistance during the Logan exercise, Stefanki feels the effectiveness of military participation during an actual disaster is questionable because of communications problems. "The shortcomings of having the military participate is that their communications systems are not integrated with civilian systems," Stefanki cautions. He points out that the Coast Guard realized those shortcomings after the Eastern Air Lines L-1011 crash in the Florida Everglades in 1972. As a result, the Coast Guard made changes to their communications network, which led to better coordination with civilian systems. Stefanki exhorts the military to take similar measures so that their services can be efficiently utilized when a disaster strikes within the United States.

Smoke bombs, used to simulate fire, added realism to the Boston drill. In fact, the billowing clouds of smoke proved to be a bit too real. One of the few city ambulances available was used to evacuate at least one young woman from the site who actually became ill from the smoke; several other persons involved in the drill, including some firemen, felt temporary lightheadedness. Airport officials assured, however, that none was seriously affected.

Mistakes helpful

At the conclusion of both the Kennedy and Logan exercises, evaluations were conducted during which comments, suggestions, criticisms, and observations were solicited from participants. In addition, extensive reviews were to be made by the official umpires judging the proceedings. The discussion after the JFK exercise revealed that a breakdown had occurred in the communication between Star, the chief medical coordinator, and the triage area because a radio operator assigned to Star had to be used in another area of the drill. At the Logan postmortem, the overabundance of smoke and the lack of city emergency medical teams were mentioned as the most significant problems. Of course, a major reason for holding a drill is to determine such weaknesses. Captain Stefanki observed the exercises at JFK and Logan and came away satisfied. "The three C's were generally well taken care of in each drill," he determined. Those three C's—command, coordination, and communication—Stefanki explains, are the essence of first quality disaster planning.

Charles Arena, Logan Airport's fire chief, has been involved in all of the airport's accident simulations and even more "real" occurrences. After listening to various critical remarks during the debriefing session, he made an important distinction between the two experiences. "Because it is a drill, you are not going to get full response from any agency," he said, adding that when an actual incident does take place, all the stops are pulled. The drill enables the airport to go through the motions to insure that their plan is workable and effective, Stefanki maintains.

Practically as vital as an airport's own contingency preparations are the arrangements that have been made with the surrounding communities, Stefanki says. Commonly known as "mutual aid" plans, the written guidelines provide an airport with assistance from local facilities in the event of a problem. But, Stefanki explains, there is still much work to do in this area. Many airports do not have written agreements with local communities.

While assistance may be provided in case of an emergency, a formal

outline of the duties and responsibilities of each agency remains an essential part of an airport's emergency plan. Stefanki cites the American Airlines DC-10 crash at Chicago in May as an example. The aircraft crashed into an unincorporated area near the airport. Because of nebulous jurisdictional boundaries, there was some confusion as to who would be responsible for directing the firefighting, rescue, and security efforts. A written mutual aid plan may have precluded any problems, Stefanki advises.

O'Hare is the only major air carrier airport in the country that does not conduct an annual accident simulation, Stefanki reveals. Airport officials there conduct limited exercises to test certain elements (such as communications) of their emergency plan, but do not go as far as a full-scale drill. "We feel it is a workable and effective plan," says Ernest J. Ojeda, O'Hare's Aviation Safety Director. But both ALPA and Stefanki feel that practice is the key to any disaster planning effort.

Increased emphasis

Stefanki explains that emphasis on airport disaster planning has become extremely important, especially with the advent of widebody aircraft in the early 1970s. The prospect of a single aircraft with as many as 500 persons aboard involved in an accident has awakened many airport officials, he says. Stefanki indicates that this new awareness has led to more and more drills at both large and small airports all over the country, even though the exercises are not mandatory. Even the small community situated near an airport is faced with the distinct possibility of an aircraft accident within its jurisdiction. The crash of a Southern Airways DC-9 onto a highway in the small town of New Hope, Ga., was just such a case. "It all gets taken care of," Stefanki says of any response to an emergency. "The question is *how* it's taken care of."

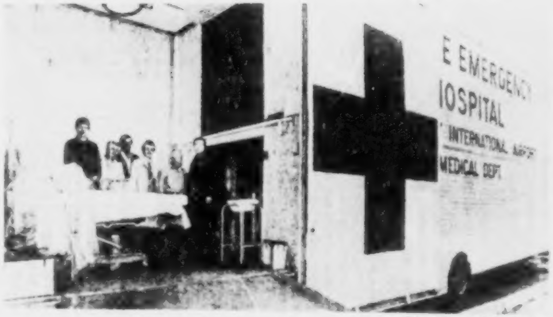
Capt. John X. Stefanki (UAL), who helped pioneer the development of airport disaster simulations, evaluates the Logan drill.

A mutual aid disaster plan, according to Stefanki, who has contributed to the establishment of many such agreements between airports and their surrounding communities, provides a tremendous advantage in all efforts associated with a crash. There is another benefit as well. "The good part about all this is that once the people have been evacuated from the aircraft, the disposition of casualties is similar, no matter what kind of disaster it is—flood, earthquake, fire, explosion. Everything is the same. Disaster training is invaluable in the saving of life and property no matter what the circumstances," Stefanki advises.

Stefanki believes that airport disaster preparation is finally beginning to improve noticeably across the country. Last October, the director of the U.S. Civil Defense Preparedness Agency issued a memorandum to the nation's regional civil defense directors, urging them to work closely with area airports to set up mutual aid plans and conduct disaster exercises.

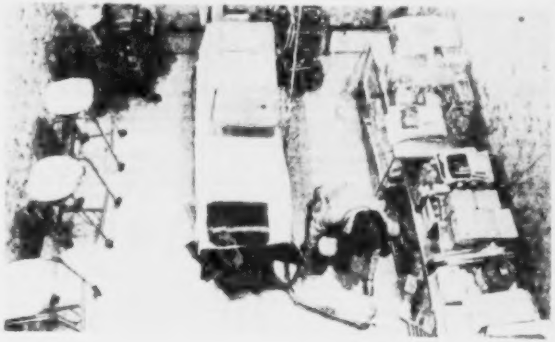
"I think we're really starting to move now," Stefanki says. "I've seen more activity toward improving disaster planning in the last year than I have in the preceding five, and this is very commendable" for airport officials, local authorities, and FAA which, he says, has also been cooperative. But Stefanki warns that all the paper planning in the world cannot compare in effectiveness with an actual testing of those plans. As he told the American Association of Airport Executives in Boston last June: "A disaster plan that has not been tested is no disaster plan at all!" □

An Airport Hospital on Wheels



Newsday Photos by B. Scott Yarwood

Paramedics, above, stand inside the mobile hospital that will respond when disaster strikes at Kennedy Airport. The unit's surgical room, below, can treat many victims on the scene.



By Richard Sandomir

Kennedy Airport—With jumbo jets carrying more than 300 passengers at a time, the need to speed medical help to crash sites is greater than ever. Rescue operations routinely rush doctors, nurses and paramedics to the crash site to prepare the transfer of the seriously injured to hospitals.

But why not skip the middle step and bring the hospital to the seriously injured?

The director of this airport's medical office, Dr. Leon Star, found no reason for such delay. Behind the two-story medical building here, in a trailer that used to hold old Boeing 727 seats for United Airlines, stands his answer.

The Emergency Mobile Hospital—60 feet long, 18 feet high and 12 feet wide—has an operating room, an intensive-care unit and 50 beds. On a lower floor, 38 of the beds are used for patients being stabilized before they are taken to any of five nearby hospitals. An elevator can transport more seriously injured patients from the operating room to a 12-bed intensive-care unit above.

Star bought the trailer and outfitted it with about $400,000 in money and manpower donated by several airlines, private companies and community groups. A second such hospital is near completion, and similar units are being considered for Newark and LaGuardia Airports.

Star—a 65-year-old physician who lives in Lawrence and has been at the medical office since 1950—cites the crash just outside the airport of Eastern Airlines Flight 66 on June 24, 1975, to illustrate the need for the mobile unit. In the crash and the chaos that followed, 114 persons died. He remembers preparing to perform an emergency tracheostomy on a man suffering from internal burns when "a volunteer picked him up to put him in an ambulance to go to a nearby hospital, and the man died en route." Star said that if a mobile hospital had been at the crash site, "we could have stabilized the man's condition."

Now, in the event of a disaster at the airport, a minimum of three volunteer workers can put the mobile hospital into operation. If called, anyone on duty can drive the silver trailer right onto the runway.

Ray Mosher, 36, of North Lindenhurst, who works for Eastern Airlines, is president of the JFK Volunteer Mobile Hospital Corps—32 emergency medical specialists. Mosher said that the

—Continued on Page 27

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Disaster-Aid Unit Ready for Action

—Continued from Page 4

1975 crash, and the collision of two jumbo jets on March 27, 1977, that killed 582 passengers and crew at Tenerife in the Canary Islands had spurred creation of the mobile hospital. "The basic idea for this has been around for a long time," he said. "And Dr. Star saw the feasibility for it after the crashes."

In June, the hospital team conducted an annual disaster drill. The mobile hospital was driven to the site of a simulated 727 crash. The medical office's 15 physicians were soon joined by ambulance corps volunteers from Queens, Nassau and Suffolk. Trauma and burn specialists were brought by helicopter from various parts of the city, and the emergency teams of the Port Authority, the Air National Guard, and the police and fire departments sped in to provide care for about 200 Boy Scouts, made up as crash victims. An Army helicopter, using a special crane, then picked up the mobile hospital. The hospital can be airlifted to other airports, and can also be utilized at fires, explosions, earthquakes and other natural disasters, airport officials said.

Volunteers working in the mobile hospital during a disaster must perform the same range of activities that they would with any other ambulance corps. "We do advanced life support," Mosher said. At the crash site, *triage*—choosing patients for priority treatment—must be completed quickly. Patients are moved into the mobile hospital via ramps on either side of the trailer, and the volunteers begin reading and interpreting electrocardiograms, starting intravenous systems, administering medication and reviving patients in cardiac arrest. Four sets of stretcher beds are lined up against each Marlite wall, three high, and the aisles can provide space for 14 additional beds, where patients' conditions are stabilized.

From the "ward," the operating room, which can be elevated to move patients to intensive care, is visible. Intensive care, with six beds on each wall, provides cardiac monitors and oxygen bottles for each casualty.

Star, a chest and general surgeon, is given credit for the design of the hospital, but the concept "was born at the airport community," said Jerry Fitzgerald, 39, manager of airport operations for the Port Authority. An inflatable mobile trailer, which served as a morgue during the 1975 disaster, was used in the past as a temporary housing for casualties. But there were "no treatment facilities. Once you brought them in, what do you do?" Fitzgerald said.

The Eastern Airlines crash also demonstrated that once emergency vehicles entered the airport, outside traffic limited their ability to leave. The mobile unit's treatment facilities can severely curtail instances of shock and trauma. "It's better off stabilizing the patients and then moving them to hospitals," Fitzgerald said.

Fitzgerald, who has been with the Port Authority for 18 years, said that the thought and effort contributed by airport employees in building and staffing the hospital has resulted "in a feeling of togetherness. You have a feeling of community among the people working here," he said. He added, "We're planning for something we hope never happens."

DAILY NEWS, TUESDAY, MAY 3, 1977

Mobile Hospital Unveiled at JFK Airport

By DON GENTILE

"Over here! I need help," the man with "third degree burns" shouted amidst laughter from fellow "patients."

The mood was light but the business of the day outside Kennedy Airport's medical clinic was deadly serious yesterday. Volunteer "victims" took part in a mock disaster drill that featured, for the first time, a new 12-ton mobile emergency hospital.

Under construction for the past six months, the 16-foot high, two-level unit, complete with an operating room, will be used to bring the hospital to an airline crash scene. The mobile hospital is an innovation in crash-victim treatment, according to center director Dr. Leon Star.

Nearly every airline at Kennedy, community and state agencies and private organizations donated some $500,000 in equipment, man hours and expertise to build the van.

Docs on Choppers

Star's wife, Winifred, played the role of a victim with a ruptured aorta.

In a canvas tent outside the hospital on wheels, doctors helicoptered in from Peninsula and Creedmoor hospitals checked Mrs. Star's condition.

She was then quickly wheeled on a stretcher up a long ramp to the hospital's lower-level holding area, capable of handling 30 crash victims on three-tiered bunk beds.

Vital signs are monitored there on portable units, while the patient waits for a turn at the operating table, at the front portion of the 65-foot long van.

Long-Term Care

After the "operation," Mrs. Star was hydraulically lifted on the operating table to the second level, where a patient can remain for up to a month if being moved presents a hazard.

"We can handle any type of operation if the right doctors are on the scene," Star said explaining that the need for a mobile hospital was the basis of the van's creation.

MEDICAL OFFICE

Team relaxes a bit after "saving" another disaster "victim."

more passengers the need for us to prepare for the possibility of many serious injuries resulting from an air crash increases," Star said. "Hopefully, we will never have to use the van."

The mobile hospital can travel at 40 mph and can withstand winds of up to 93 miles an hour. And when equipped with sky hooks, it can be airlifted by helicopters to a crash scene.

The generator that provides the juice for medical devices "can light up a football field," Star said.

The doctor also intends to use the mobile hospital for the 50,000 full and part-time employes at Kennedy.

"It will be a training center and a blood bank as well as an emergency vehicle," he said.

The 63-year-old doctor, who has worked at the medical clinic for 27 years, is the van's foremost promoter. The donated airline blankets and stretchers bearing airline names, and list of sponsors painted on the side of the van [illegible] of Star's selling technique.

The [illegible] a paper on the mobile hospital to the American Aero Medical conference in Las Vegas on Monday. In September, Star will outline the [illegible] to the International [illegible] Physicians to

News photos by Jack Clarity

Surgical team works on "patient" in mobile emergency unit's operating room

The News World

Mobile hospital vans ready for disaster at JFK

By Francesca [illegible]

[illegible] man-made or natural disaster.

A mobile hospital unit currently being developed by two medical center surgeons [illegible] to provide immediate medical care to injured, bleeding or [illegible] victims who otherwise would not live long enough to get to a hospital.

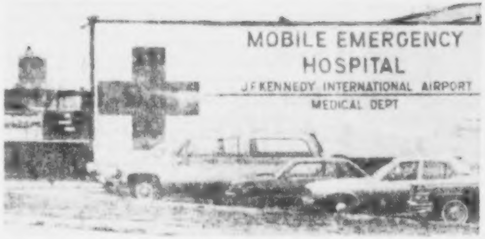
[illegible] equipment of [illegible] world.

Working on the theory of "bringing a hospital to the emergency, rather than an emergency to a hospital," Drs. Leon Star and Louis Abelson are attempting to perfect the unit that could give life-stabilizing treatment to victims at the scenes of plane crashes, fires, explosions, train wrecks and natural disasters such as floods and earthquakes.

Seek federal funds

In an effort to secure federal funding for the project, which could be vital to rural upstate communities, Lt. Gov. Mario Cuomo, who toured the operation last August, has enlisted the help of Rep. Geraldine Ferraro, D-Queens, a member of the House Subcommittee on Aviation.

After touring the mobile hospital facility located next to the JFK [illegible] Center yesterday, Ferraro [illegible] would work to introduce [illegible] that would provide funding for such disaster plan projects nationwide through the Airport Development Act Program which is scheduled to be [illegible] this year.



This 12 [illegible] 16 [illegible] has been converted into a mobile medical unit that could become a [illegible] with an operating room, stretchers, and monitoring equipment.

This spring, hearings may be held to focus on the need for such mobile medical units and how to provide funding for such projects in airports and cities around the country.

The basic purpose of the Airport Development Act was to provide funding for [illegible] and [illegible].

Dr. Star, [illegible] World War II and the Korean War, and his partner, Dr. Abelson, also a war veteran, saw how the use of mobile medical units saved the lives of thousands of injured soldiers on battlefields.

The 1975 airplane crash just outside JFK in which 114 people died further convinced them of the need for a civilian mobile medical unit for natural and man-made disasters.

"Fifty percent of those people never made it to the hospital alive," Star said. "But if their conditions could have been stabilized on the scene of the accident they might have lived. They were 'survivable.'"

He contended that massive traffic immobility as exhibited in the 1975 crash was the "kiss of death" for many "survivable" patients. But a mobile unit would eliminate that hazard.

Well-equipped

The JFK mobile unit is equipped with two operating rooms, enabling doctors to perform immediate surgery on victims with injuries that obstruct the victim's breathing.

Life-sustaining intravenous fluids, blood and other necessary transfusions can be given to stabilize the patient after he is moved from surgery, which is conducted in a hydraulized elevator, to either of two areas equipped to hold about 100 stretchers which can be strapped onto the wall to serve as beds.

Sophisticated monitoring equipment tells doctors what changes are necessary in the patient's treatment until his condition is stable enough for him to be moved to a hospital.

Currently, the doctors also are refining a burn unit outfitted with built-in oxygen equipment capable of maintaining 55 patients for as long as five hours.

The unit is air-conditioned and can maintain a heated atmosphere in temperatures as low as 10 degrees below zero.

The unit, which was created three years ago, fortunately has not been needed yet for any New York disasters. But each year a mock drill is held to prepare for the time JFK's "Operation Red Alert" will be called into action.

Last year, President Carter sent a special Navy helicopter for one week so that the unit could experiment with the possibility of airlifting the entire unit to another area.

The JFK medical center team simulates aiding a disaster victim in the mobile hospital unit.

"The unit could be airlifted in the mouth of a 747 jet or a Hercules cargo plane for hundreds of miles if needed," Star said. He hopes that with funding he can investigate the use of the unit in rural areas for such natural disasters as floods and earthquakes or such man-made disasters as train wrecks.

This pioneer project is the result of a joint effort by the airport community, Star insisted. He said the initial cost of $400,000 for designing, building and equipping the units came as a result of donations of money, manpower, equipment and supplies by major airlines and airport businesses.

Although the project is a monumental step forward in disaster aid, Star called his unit a "M[illegible] I" and stressed that with federal funding the project can be refined and used as a model for airports and disaster services.

"There should be one at every major airport," he said.

DAILY NEWS
QUEENS
DAILY NEWS, MONDAY, OCTOBER 11, 1976
BQL 1

Disaster Simulation Is Given Four Stars for Realism

By JOAN NASSIVERA

Passengers landing near Runways 14 and 32 at Kennedy Airport Saturday morning were understandingly startled and frightened when they saw an American Airlines L-1011 jumbo jet surrounded by smokepots, and men, women, and children, many bandaged and bloody, running in and out of a tent that apppeared to be serving as a disaster site headquarters.

There was no need for fear, however, since all the runway activity had been set up to simulate a mock disaster — a drill to help police, fire, Port Authority, and medical personnel learn how to better cope with the "real thing," such as a plane crash or an airport bombing.

Favors Demonstration

The drill, organized annually by the Port Authority of New York and New Jersey and the Kennedy Airport Medical Office, is an exercise recommended by the Federal Aviation Administration, according to Dr. Leon Star, director of the medical office.

"Kennedy was the first airport to begin the drills about five years ago," Star explained. "Because of the excellent cooperation we've received from the Port Authority and city fire, police and medical personnel, they have become a very positive force." Dr. Star also praised the "fine work" on the part of all the community medical and volunteer group who take part in the drills.

Nearly 200 doctors, nurses, firemen, police and rescue workers rushed to aid the 150 "victims" of Saturday's mock disaster. Medical personnel tagged the victims with colored balloons identifying them as dead, critically injured and requiring immediate attention, and those with injuries who could wait before receiving first aid.

"We simulated burns, fractures, brain injuries, massive wounds, hysteria, and shock," Star said. "Every kind of injury you might run across in a typical disaster situation. It was up to the various medical and rescue teams to determine the appropriate treatment and administer it as fast as possible."

Burn Victims Aided

Burn treatment was a major focus of Saturday's drill, with doctors and nurses attempting to stabilize the condition of many burn victims before moving them to hospitals.

"In a major disaster, nearby hospitals may not have room for all the injured, so it will become more and more important to stabilize their conditions before moving these victims long distances," Star explained.

Those critically injured who must be moved for one reason or another might be transported in one of the two city mervans on hand Saturday. A mervan is a sophisticated ambulance fully equipped to serve as a mobile operating room.

Or they might be airlifted in one of the city's rescue helicopters. An emergency chopper prepared to take off Saturday was grounded by the strong, gusty winds, a potential hazard associated with any disaster.

"It was blowing and raining like crazy," said one man who watched the drill. "People were lying in the puddles, screaming. It had all the makings of a real Broadway production, and it reminded you all too clearly just what it would look like if a disaster really struck."

Firemen attend to "victims" of simulated disaster.

News photo by [illegible]

Medical personnel rush to survivors during mock plane crash set up on runways 14 and 32.

They're There To Help

By Captain D. E. Pullman
TWA Council #2

A major disaster, an air sick passenger or a routine examination could all be part of a day's work for the staff of the Medical Office at John F. Kennedy (Idlewild) International Airport.

At New York International Airport there is a buildng named simply, "Medical Office." It is the private ractice of doctors Louis C. Abelson and Leon D. Star. he fact that this private practice is *the* medical facility r one of the world's busiest air terminals is of special terest to readers of this publication.

The "Medical Office" is not part of, or officially onnected with, any government agency, private carrier, r other medical organization. In addition, it receives o financial aid from the federal or local authorities in he form of subsidies, rent considerations, or donations rom any of the users of the airport. All compensation aid to the Medical Office is in the form of fees or etainers paid by patients, airlines or other parties that ight require medical services.

A look at the background of the two doctors who ounded the medical facility shows us that Dr. Abelson raduated from the University of Cincinnati Medical chool. He was in private practice until 1942 when he oined the Air Corps and General Claire Chennault in hina as supervisor of medical facilities. After discharge rom active duty, Dr. Abelson went back to private ractice by himself until he teamed up with Dr. Star t Idlewild in 1960.

Dr. Star graduated from Long Island College of edicine. He served in the Navy as flight surgeon board the aircraft carrier Petrock Island. He is now Director of Surgery at Peninsula General Hospital and attending physician at St. Joseph and Long Island Jewish Hospitals. He is a Fellow of the American College of Surgeons, Diplomate in the American Board of Medicine and a Specialist in Aviation Medicine and Surgery.

Doctors Abelson and Star are members of the Civil Aviation Medical Association. To complete the aviation picture, both gentlemen hold private pilot's licenses and own jointly a Cessna 182, which is parked at Idlewild. The airplane is available for emergency calls.

The original medical office was established in a Quonset hut located near the temporary terminal. The present building, which is located on the 150th Street road near the air cargo buildings, was begun in 1955. A new wing was added in 1961. The present facility is a fairly large, single story structure consisting of eighteen rooms. There are two operating rooms, a rehabilitation room with whirlpool baths, x-ray room, an audiometric chamber and various examining and administrative rooms. In all, it is a very complete medical department.

The present building, with all its equipment was financed by the doctors themselves. Like many other private enterprises at Idlewild, the building is leased from the Port of New York Authority. The estimated value of the Medical Office is $120,000.

STARTED IN QUONSET HUT

[illegible] 1950 there were only two [illegible] and one nurse operating out of [illegible] Quonset hut. They now employ the services of four additional physicians plus eighteen nurses and technicians.

The office is open 24 hours a day, 365 days a year. There is a crash phone and a VHF monitor tuned to IDL Tower. Transportation on the field is provided by PONYA police cars. The doctors and nurses originally used private automobiles but found that driving around the taxiways in unmarked automobiles without radio contact was too hazardous.

There is a high degree of cooperation existing between the Port Authority, FAA, and the Medical Office. The doctors and nurses are quick to answer any call by the airport authorities, whether it be an industrial, vehicular, or aircraft accident. In turn, the FAA and PONYA make their equipment and facilities readily available for medical use.

An example of this close cooperation occurred on two separate occasions when a doctor was called to New York ATC in order to assist in a delivery. It seems that in both cases the mothers-to-be were not to be influenced by the fact that they were airborne. So the captain, with directions received by radio from the good doctor back at New York Center, successfully delivered the baby. As far as births are concerned there have been three additional, as of this writing, at Idlewild. Two, conveniently, were performed within the confines of the Medical Office. A third, however, took place in the parking lot outside. Although the doctors did not mention it, you might keep in mind that obstetrical advice can be obtained on 119.1 mc. while in the New York Area. If unable try 1[illegible] mc.

TREAT PASSENGERS

As can be imagined, many of the calls for medical aid involve passengers who have either been sick or injured. In all, [illegible] Abelson estimates, since its inception the Medical Office has treated over 20,000 passengers.

Several of the airlines keep the Idlewild Medical Office on retainer to handle all medical work: not only emergency care, but such things as physical examinations, immunizations, etc.

As for the operating facilities, the office could handle major surgery in emergency, but the availability of city hospitals makes it possible to limit surgery at the airport to minor cases.

Both Dr. Star and Dr. Abelson are senior FAA medical examiners and give class I, II, and III FAA physicals. In addition, they are available at all times for private medical consultation and treatment right at the airport.

DISASTER PLAN

Idlewild Airport has a disaster plan. This plan was devised by The Idlewild Medical Office and is designed to handle all catastrophies within the environs of the airport. The plan involves not only the office of Drs. Star and Abelson, but the medical departments of Lockheed Aircraft, American Airlines, Pan American, Trans World, and United Air Lines. In all, there are available at times of emergency at the airport, 14 physicians, 31 registered nurses, two x-ray technicians, and one laboratory technician. Of interest is this quote directly from the Disaster Plan, "This program is entirely voluntary in nature, carrying with it no compensation other than more fully covering the airport in the event of a serious accident."

The doctors have received, from time to time, enquiries from governments and individuals regarding their office and its relationship with the airport operation. Some airports now have medical facilities patterned after those at New York International.

In summing up, one could say that the Idlewild Medical Office is an anachronism in this day of regulation and government control. Here is a small, efficiently run, private business working quite effectively with large, complex government agencies. Yet, there are no regulations or codes governing this relationship. The understanding is mutual and the cooperation is great.

ON THE INSIDE of the Medical Office one finds clean and well equipped examining rooms like the one pictured below.

When the red phone rings at JFK...

...the medics at Building 198 race for the runway

by JERRY SCHMETTERER

IT'S A RAINY NIGHT in February and high above the Atlantic the pilot of a 747 radios the tower at John F. Kennedy Airport to report a malfunction in his landing system. As the plane nears its assigned runway, emergency systems on the ground spring into action.

Controllers in the tower notify the Port Authority's crash units that an aircraft is landing under emergency conditions, and because this is Kennedy and not any other airport in the United States, a red phone rings in Building 198, almost at the exact center of the 5,000-acre field.

Peggy Birkeland, a registered nurse, answers. Signal 32 is in effect, she is told. "The tower tells me what the problem is in general terms, and I notify the appropriate medical personel," says Mrs. Birkeland, who has been picking up the red receiver for four years.

At least one physician, two nurses and an x-ray technician are always standing by. An ambulance is always parked outside the door of Building 198.

If the Signal 32 becomes a 34, meaning the plane has actually crashed or made a hard landing, the medical team can rush to the scene within 12 minutes with a portable hospital known as a Mobile Inflatable Treatment Unit. Once inflated, which takes five minutes, it contains medical and surgical equipment and space for 40 beds. The unit is modeled after the Medical Unit Self-contained Transportable (MUST), which was used extensively in Vietnam. It cost the Port Authority $25,000 and, when not in use, it is stored on top of a trailer and garaged with other airport emergency equipment.

But on this night in February, the 747 and its 350 passengers land without incident and the people in Building 198 go back to their regular routine, which includes such chores as giving physicals to pilots, training Port Authority and airline personnel in first aid and vaccinating overseas passengers who have neglected to get theirs – often with a plane waiting on the runway.

Ava Blafas, the center's receptionist, says she can spot a vaccination in the making: – "Whenever you see a taxi screech to a halt and a very nervous looking person jump out and run to the door, you can get the needle ready." Mrs. Blafas speaks Greek, Spanish and Italian and often interprets for the nervous passenger.

The center also has delivered about 30 babies and once Dr. Leon Star, the founder and director, instructed a pilot by radio while a child was delivered on board. He then met the plane and took charge of the baby's first hours on the ground. The center now provides "baby delivering kits" to nearly every plane leaving Kennedy.

If public health officials spot a rash on a passenger or learn that one has had diarrhea aboard an airliner, a physician is called from the center to take a look. It could be smallpox or communicable dysentery. Not long ago a pilot radioed that practically all his passengers were vomiting and experiencing severe cramps. As soon as the jumbo jet landed, Dr. Star and his staff were aboard. Alan Goldner, the hospital administrator, remembers the scene. "When we got there people were still vomiting in the aisles and some were almost passed out from their cramps," he said. "The plane was a mess and we didn't know where to start."

Using his walkie-talkie, Goldner called for two more nurses and a doctor and after two hours of frantic activity they had cared for all the sick. "It turned out that there was something wrong with the food. Our being at the scene so quickly made life a little easier for many of the sick," Goldner recalls.

The medical center was started in 1950 by Drs. Star and Louis Abelson in a quonset hut surrounded by swamp and sand. Of those early days, Star, a former naval flight surgeon and director of surgery at St. Albans Naval Hospital during the Korean War, says, "If a Piper Cub landed we cheered." By 1955 the quonset hut had been replaced by a permanent building which recently was undergoing its sixth renovation. It is a model for airport medical facilities throughout the world. Of the 528 major airports in the United States, JFK may be the only one fully prepared to handle a disaster.

The center is a private business receiving some aid from the Port Authority and the major airlines. Its staff numbers 88, including 15 doctors whose training covers all fields of medicine. For Dr. Star, who owns a twin-engine plane and has logged 4,500 hours, the center combines two loves, surgery and aviation.

"This is the kind of place," he says, "where a doctor has to be an all-around man – one moment a surgeon and the next a pediatrician. And he has to be a business man to keep it all together, to pay bills and salaries."

Not many weeks ago a Coast Guard helicopter plucked a fishing boat captain out of the water off New Jersey and flew him to Building 198, apparently because the pilot knew a doctor would be on duty. But the captain was pronounced dead on arrival.

That same week, though, a Pan American cargo handler who was smashed on the head by a truck door got 30 stitches and x-rays within the hour. The red phone rang in time. □

Airport medicine at JFK is tops

[illegible] airliner were to make a [illegible] landing, causing possibly hundreds of injuries ranging from [illegible] to critical, would any of the 100 [illegible] airports in the U.S. be prepared to handle such a disaster?

Only one, New York's John F. Kennedy International Airport, could come even close, says Col. Frederick J. Hame, chief of the office of preparedness in the health manpower division of the General Services Administration. He is also director of a Presidential committee on national health resources that met recently in Chicago to draw up recommendations for improving airport disaster planning. The committee intends to present its recommendations to key government agencies within a month.

Another air-medicine expert, also on the committee, agrees that JFK has the nation's leading airport medical facility. He is Dr. Stanley R. Mohler, chief of the aeromedical applications division of the Federal Aviation Administration.

Like Colonel Hame, he is convinced no other U.S. airport has a disaster plan that makes adequate provision for equipment, personnel and drills; most do not have a physician on duty at all times, do not have adequate medical supplies, and in general lack capability to respond to a medical disaster.

How did JFK pull so far ahead of the field? Colonel Hame and Dr. Mohler consider two men chiefly responsible—Drs. Leon D. Star and Louis C. Abelson, MDs who established a small private practice at JFK more than 20 years ago and now, though still conducting a private practice there, employ 65 professional and auxiliary personnel, including 14 doctors and 13 nurses.

Their present medical office at JFK is a small building that looks as if it could house only a few patients in a slow flow. But each year this modest facility provides treatment for well over 15,000 persons with conditions ranging from a cut finger to a brain tumor. Not all patients are seen in the office—many are treated on the runways, in boats on the adjacent bay, on the highways leading to the airport, and in nearby hotels.

Both doctors—who were buddies as lifeguards in their youth—became interested in aviation after stints in the service during World War II. Dr. Abelson served with U.S. Army Air Forces in China and Dr. Star was a Navy flight surgeon. Both now hold private pilots' licenses and Dr. Star, who has logged more than 4,300 hours' flight time, flies his own Twin Beech [illegible].

The growing pains of their practice at JFK were many. They started out by placing themselves on call to airlines and airport-related companies. "In those days," says Dr. Abelson, "we would be called out of bed at all hours to see a sick passenger or an injured employee." Within a couple of years they opened a one-room office in a Quonset hut and hired a nurse. "When we first opened the office," recollects Dr. Star, "the airport was so small we cheered if we saw a Piper Cub land." By 1955 they had built a permanent office, expanded it in 1961, and are now adding a second floor.

Today the facility has two operating rooms equipped to perform major surgery, a rehabilitation room with whirlpool baths, a laboratory, x-ray facilities, an audiometric chamber, and several examining and administrative rooms.

Although they extend a great deal of public service, the airport physicians remain in private practice. They own the building and equipment, and they supervise their large staff of doctors, nurses, and clerks. One physician, two nurses, and an x-ray technician are on duty throughout the night, and three or four doctors staff the office during the peak periods, 8 a.m. to 8 p.m.

Dr. Abelson (right), with Dr. Star and nurse, readies patient for x-ray

In addition to seeing patients in the office for physical exams or treating a variety of injuries, a doctor and nurse may make as many as ten emergency calls to the scene of injury or illness during any 24-hour period. Calls for physicians are relayed via the Port Authority police. One policeman (all are trained in cardiac resuscitation) immediately drives to the patient, and another is simultaneously dispatched to the medical office to drive the doctor and nurse to the scene, using taxiways and runways, if necessary. The doctor can usually get to any section of the great airport's 5,000 acres in four to nine minutes. Patients are treated on the spot when appropriate, or one of two ambulances on the field is summoned to take them either to the office or to a hospital within two miles of the airport.

Forty-two cases of food poisoning precipitated one recent call to the medical office. Three doctors and five nurses responded, doling out paregoric and [illegible] to the passengers at the scene and then continuing treatment in a nearby hotel, courtesy of the airline.

About four or five times a day, one of the several airlines that do not maintain their own daytime medical services will ask the medical office for an evaluation of a passenger's fitness for flying. Here a doctor's mistake can cost someone's life in the air or precipitate a diversion of the plane, costing the airline about $10,000. "This is where judgment comes in," says Dr. Star. "There's no book written telling whether this individual patient is going to make it or not."

Contraindications for passenger travel in an aircraft, he says, include contagious or communicable disease, coronary occlusion, anemia, pneumothorax, cardiac decompensation,

Dr. Star boards an airliner (left) with a policeman carrying a defibrillator, to evaluate a heart patient in the cabin (below). At JFK, doctors leave the office about ten times a day to treat patients in emergency situations.

Colonel Hasse: 'Of 528 major U.S. airports, only JFK could handle a disaster'

[illegible] jaws or sinuses, perforating [illegible], mental disturbance, and bladder or bowel incontinence. Some of these conditions can be complicated by the reduced air pressure in a plane's cabin, Dr. Star explains. Though most people are accustomed to living at sea-level barometric pressure or nearly so, airliner cabins are pressurized only to a level of 5,000 to 8,000 feet above sea level. This low pressure permits expansion of gases and minor cardiovascular changes.

Though decreased air pressure does not affect a normal person, someone who has circulation trouble, for example, may become fatigued or incontinent of feces. A person with a recent severe bleeding problem associated with anemia should not fly. Dr. Star says, a fall in hemoglobin, coupled with the slightly decreased oxygen-carrying capacity of hemoglobin at 8,000 feet, could spell trouble.

Relatively few persons are actually prevented from boarding an airplane for medical reasons. The medical staff makes certain allowances based on an estimate of the individual. Says Dr. Star: "We might say he's a little nervous, but he'll be okay; or he's a little old but looks like he'll make it; or, he shouldn't go today but should rest up and go tomorrow morning."

Dr. Abelson says one of the most common reasons for an airliner having to return with a sick passenger is hyperventilation by a hysterical, emotionally distraught person. Unchecked hyperventilation can cause the person to go into tetany, tremors and convulsions. The best way to prevent this is to place a hood over the patient's mouth so he can't blow off any more carbon dioxide.

With more than 20 million passengers coming into JFK every year from all over the world, the U.S. Public Health Service officials there must also be on constant alert for communicable diseases. "We are really the bastion to stop the spread of contagion," says Dr. Star. Since public health regulations no longer require smallpox vaccinations of visitors from several countries, the job of preventing the importation of this disease is harder. If public health officials spot a rash, or learn that a passenger has been having diarrhea aboard an airliner, a medical office physician is called to rule out smallpox or communicable dysentery.

As Dr. Star describes the situation, "The doctor is all alone, perhaps at 2 a.m., and has to make a decision that affects not only the passenger but the entire American public. Here is where I slow down. There's no room for a mistake at that point."

Dr. Jose A. [illegible], a staff physician at the JFK medical office, explains the difficulty: "A series of insect bites may be difficult to distinguish from smallpox, and diarrhea could be caused by food poisoning or contagious cholera." This is a tough diagnosis to make and even a phone call to the Center for Disease Control in Atlanta, though frequently helpful, may fail to help the doctor make a clear-cut diagnosis.

In cases of doubt—usually when a passenger has a fever of unknown origin and a rash—the doctor sends the passenger to the U.S. Public Health Hospital on Staten Island for isolation and a definitive diagnosis. Says Dr. Star: "I'd rather goof ten times and be safe than send a contagious patient out among the public." As a part of the prevention program, he recently invited an infectious-disease expert from Atlanta to instruct his entire staff on the detection of cholera and smallpox.

The most common injury seen at the airport is back strain, usually involving workers who load cargo or handle baggage. Injuries suffered in car accidents are common; so are complicated vaccinations. And 30 times during the past 20 years medical office doctors have delivered babies—some in the office, others in parking lots, still others in airliners over the mid-Atlantic, delivered by proxy, with a pilot following radioed instructions from JFK.

Besides caring for passengers, Drs. Abelson and Star are senior FAA medical examiners qualified to give physicals to all airline employees including captains, who must be examined every six months. "This is where it helps to be a pilot yourself," explains Dr. Star. "I feel I can communicate on the same vibes as these people when they talk to me about their environment, their problems, apprehensions, loss of sleep, and fatigue because of a disruption in their circadian rhythms. I can understand it because I've been in that cockpit and had similar experiences."

In addition to routine emergencies, the medical office, in cooperation with the Port Authority, is prepared to handle large catastrophes. "With the increased integrity of airplanes," explains Dr. Star, "we can expect that there will be more survivors in a crash, as many as 300 or 400." But, as he points out, there are few hospitals in the world with that many empty beds. So he and Dr. Abelson, along with nine public and private agencies, have devised a medical disaster plan designed to "give initial medical treatment to large numbers of casualties before evacuation to hospitals for more specialized care."

Mobile Inflatable Treatment Unit gets to a crash in ten minutes, inflates in five, shelters 60 beds.

Elaborates Dr. Abelson: "We feel it makes sense to separate the patients, give them the emergency care they need, treat the shock, try to save those who can be saved, and then transport some to special centers—burned patients to burn centers, fractures to orthopedic centers, and head injuries to neurologic centers. That way we don't end up sending 50 patients to a place that has only six empty beds, and we give the patient the benefit of getting him out of immediate danger."

Triage at the scene can be conducted in a Mobile Inflatable Treatment Unit (MITU), modeled after the Medical Unit Self-contained Transportable (MUST) used in Vietnam, and provided by the Port Authority. The unit can be towed to the crash scene within ten to 12 minutes. Once there it can be inflated in five minutes. Each $25,000 unit contains medical and surgical equipment and space for 60 beds.

The disaster program is set in motion by a "signal 34," indicating a crash or incident, such as a hard landing or fire on an aircraft. Such a call comes to the medical office via a direct-line red phone from the control tower. At least one physician and two nurses with emergency "crash trunks" and walkie-talkie transmitters immediately rush to the crash, if such it be, in Port Authority police cars. The doctor, usually the first medically trained person to reach the crash, assumes responsibility for distribution of other arriving personnel and disaster units from the various agencies alerted at the same time.

After a crash, one of the big problems is getting in and out of the airport. Because many people want to satisfy morbid curiosity, roads become impassable for days after a crash. So a U.S. Coast Guard air-sea rescue helicopter immediately proceeds to the nearby Peninsula Hospital Center heliport, where doctors wait to be airlifted with additional supplies to the crash scene. Other helicopters report to JFK, where they may get orders to evacuate a patient or pick up more medical personnel at one of 16 participating hospitals.

The MITU may also be used in bomb scares. Bomb-threat harassment causes aircraft delay, necessitating evacuation and search of passengers and baggage. The plane can be parked on a remote taxiway and suspects searched in the inflatable hut, a boon in inclement weather conditions.

Twice a year all agencies involved in the disaster plan stage an Operation SAFE (Simulated Aircraft Fire and Emergency), a drill involving simulated casualties. In addition, all heads of agencies meet monthly for disaster planning.

The disaster plan proved its value not long ago when the engine of an Icelandic Airlines plane caught fire on takeoff and it suddenly dropped about 10 feet onto the runway. About 130 passengers were evacuated via escape chutes and sent immediately to the medical office where portable x-ray equipment was used to detect possible fractures. Of 85 injured passengers, only ten were hospitalized; eight had suffered spine fractures in the drop.

What qualifications should an airport doctor have? First of all, says Dr. Star, "Without trauma surgery background, you're like a fish out of water." Furthermore, he adds, if the doctor is a pilot he relates better to the aviation industry.

Third, he should know something about aviation medicine, described by Dr. Star as a relatively new art that deals with physiologic changes in the human body associated with changes in ambient air pressure. Pilots, for example, may experience a change in night vision, specifically depth perception, because of lower oxygen saturation level of the blood.

One airline captain, a patient and friend of Dr. Star, told MWN that to combat this problem he breathes Carbogen, a mixture of oxygen (95%) and carbon dioxide (5%), for ten minutes before he begins a descent. After a six-hour transatlantic flight, this and coffee keep him alert and at top performance when the wheels touch down.

Drs. Star and Abelson find their work challenging and rewarding. "The whole concept of aviation medicine and its problems creates a steady rush of interest with little time for boredom; we see the gamut of medicine from one end to the other, every day," enthuses Dr. Abelson.

Dr. Star sums up his feelings in this way: "This is the kind of a place where a doctor has to be an all-around doctor. In cases of industrial trauma he has to be a surgeon. The next moment he has to be a good medical physician, able to manage the numerous cardiac cases. Later he has to be a pediatrician seeing a baby with a rash or sore throat. Or he has to be a psychiatrist with people who are hyperventilating and hysterical. And he has to be a businessman to keep it all together—to pay the bills, rent, and salaries. In every fleeting moment another decision has to be made. This place has Bellevue Hospital beat ten different ways." ■

MARCH 25, 1980
Testimony before the Congressional
Subcommittee on Aviation
of Louis R.M. Del Guercio, M.D.,F.A.C.S.
Professor and Chairman
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I am a surgeon who has had a career long interest in trauma, shock and the care of the critically ill. I was a member of the National Research Council-National Academy of Sciences Committee on Shock and am a past-president of the Society for Critical Care Medicine. I have also served on National Institutes of Health Research Study Sections dealing with problems of burns and other severe injuries.

The Department of Surgery of New York Medical College includes in its sphere of teaching and service functions a number of major urban and suburban hospitals in the New York Metropolitan region, among them: Cabrini Health Care Center, Lenox Hill Hospital, Lincoln Hospital, Metropolitan Hospital Center, St. Clare's Hospital Medical Center, St. Vincent's Hospital and Medical Center, St. Vincent's Hospital of Richmond, and the Westchester Medical Center which includes the Hudson Valley regional Burn Center.

Three years ago, the chiefs of surgery at these institutions agreed to assist with what they consider one of the most innovative advances in mass disaster management of the past decade. This is the system of Mobile Emergency Hospitals established by Leon D. Star, M.D.,F.A.C.S., Director of the Medical Office of Kennedy International Airport. The concept is to stabilize the critically injured at the site of the disaster using these remarkable self-propelled vehicles which contain a fully equipped operating room and intensive care facilities for 50 patients. Skilled trauma surgeons and nurses from the affiliated hospitals are airlifted to the scene by small helicopters and fixed-wing aircraft. Dr. Harold Roth, who is a member of the surgical faculty of New York Medical College as well as being Medical Director of the Hudson Valley Emergency Medical System, coordinates the volunteer support groups and Armed Forces Reserve Medical Units which respond to disasters involving multiple casualties. Dr. Dennis B. Dove, Chief of the Trauma Service at the Metropolitan Hospital Center coordinates the activities of the trauma teams in the city.

During the critiques of the two previous yearly mass disaster drills, the efficacy and efficiency of the Mobile Emergency Hospital System were clearly demonstrated. As a result of Dr. Star's experience with real disasters at Kennedy, he realized that, because of traffic problems, ambulance evacuation was frequently delayed and lives were lost through lack of life support facilities at the scene. Data from the Maryland Institute for Emergency Medical Services as well as analysis of the Viet Nam casualty experience indicate the importance of immediate resuscitation with adequate light, suction and instruments. Once the bleeding is controlled, adequate breathing established and circulating volume restored, the patients can be transferred to various trauma centers in relative safety.

The Club of Mainz is an organization of renowned international experts in disaster planning. Their devotion to world-wide disaster preparedness includes recommendations for on-the-scene advanced life support systems such as the Kennedy Airport Plan. It is my professional opinion that the system of mobile emergency hospitals developed by Dr. Star is adaptable to other airports and other cities. Standardized emergency hospital modules could be designed for airlifting to the sites of other disasters. Young surgeons in training could be familiarized with the standard lay-out and taught the principles of trauma care. Regional facilities such as these would be very cost-effective since local duplication of resources could be avoided.

I strongly urge the Subcommittee on Aviation to support the concept of Mobile Emergency Hospitals and to consider funding a demonstration project so that other regions can benefit from our experience.

March 25, 1980

Testimony of Campbell B. Pritchett of British Airways

Before the Committee of Public Works and Transportation

(Sub-Committee on Aviation)

SUBJECT: Provisions for Mass Casualties at Airports as outlined in the Airport and Airway Development Act of 1980, H.R. 6721

Campbell B. Pritchett
British Airways
Chairman: Operations Safety Committee
Kennedy Airport Airlines Management Council
Operations Services Coordinator

THE CONCEPT OF BRINGING MEDICAL BACK-UP TEAMS TO A DISASTER SCENE BY MEANS OF AN AIRLIFT SYSTEM

In order that we may satisfy the support needed by the emergency mobile hospital units located at the scene of an airport disaster, it is necessary to organize a system to transport qualified medical personnel to the involved area.

Utilizing the voluntary services of the Army National Guard, US Coast Guard, Civil Air Patrol and fixed-base operators, Kennedy Airport during its 7th Annual Disaster Drill airlifted medical back-up teams from the Stony Brook Medical Center into Kennedy Airport within a one-hour period. These teams consisted of 34 medical doctors transported by 10 light aircraft. Their prime purpose was to supplement initial medical personnel at the scene. The organization and coordination of this secondary response team was my prime responsibility under the direction of Dr Leon Star, Director Medical Office, J F Kennedy International Airport.

Resources available in outlying suburban areas are common to many major cities. At these locations, there are usually airports which handle wide-bodied aircraft having the potential of mass casualities. To relieve physicians involved in the initial phases of the disaster, it is necessary to have physician trauma specialists available at the disaster scene approximately 1 to 2 hours after the initial teams have arrived.

Most major cities have rural satellite airports. These units usually have an air commuter-type service with fixed-base operations. This is the key transportation vehicle which can be used to transport medical back-up teams from rural hospitals and medical schools. Medical support teams can also be flown to rural areas in support of units assisting at disasters in these areas.

The Airport and Runway Development Act of 1980 HR6721 should provide funds for a pilot study to accomplish the principle of bringing the hospital to the emergency as recommended by Dr Star in his presentation. The formation of emergency medical airlift associations through aviation groups in local suburban areas will establish a major transportation link vitally needed with the present-day potential of mass casualities.

This concept can be applied to other type of disasters, i.e. railroad accidents, nuclear mishaps and natural situations, such as earthquakes and floods. Its utilization with civilian and military casualties in the event of war is a logical extension of this program.

There is reason to believe that through community involvement from suburban areas within a 100 mile radius, every major and rural airport in the United States can meet the need of having a first class emergency plan designed to cope with major disasters. With present technology, voluntary medical services and a coordinated airlift system, this concept will result in a great increase in the number of disaster survivors. We have accomplished this in the New York Metropolitan Area with great success.

OPERATIONS SERVICES COORDINATOR
BRITISH AIRWAYS

CHAIRMAN, OPERATIONS SAFETY COMMITTEE
KENNEDY AIRPORT AIRLINES MANAGEMENT
COUNCIL

HEADQUARTERS
NEW YORK WING, CIVIL AIR PATROL
AUXILIARY OF THE UNITED STATES AIR FORCE
817 STEWART AVENUE (Rear)
GARDEN CITY, NEW YORK 11530

March 25, 1980

Testimony of Col. Roy Arroll, New York Wing, Civil Air Patrol

Before the Committee of Public Works and Transportation

(Sub-Committee on Aviation)

Col. Roy Arroll
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HEADQUARTERS
NEW YORK WING, CIVIL AIR PATROL
AUXILIARY OF THE UNITED STATES AIR FORCE
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As New York Wing Commander, I represent 3,400 members of the New York Wing Civil Air Patrol.

The Civil Air Patrol is a nation-wide, benevolent, non-profit corporation, (Public Law 476 1 July, 1946) and is the civilian auxiliary of the U. S. A. F. (Public Law 557) The Civil Air Patrol consists of approximately 60,000 members. We have at our disposal, over 5,000 C.A.P. and member owned aircraft, a communications net of about 18,000 radio stations, about 1,000 vehicles including cars, vans, trucks, ambulances, and jeeps, and over 10,000 rated pilots.

The three missions of Civil Air Patrol are: (1) Emergency Services - Search and rescue, (2) Aero Space Education, (3) Cadet Program - Train Boys and Girls aged 13 to 18 in Aero Space Programs.

Our missions fit in with Dr. Leon D. Star's concept of bringing the Hospital to the patient for emergency treatment due to mass casualties.

The New York Wing demonstrated its capability last spring, when we flew an entire medical contingent from Islip, Long Island, N. Y., of 26 people, to J. F. K. under instrument conditions in about 30 minutes. This exercise is called "Operation Safe", and was organized by Dr. Star's staff, who simulated a mass casualty air disaster.

Our people are dedicated and stand ready to give their support to local communities throughout the country.

Dr. Star's concept of bringing the hospital to the patient is a valid one. The military has employed this technique and it has saved many lives. Why can't we do the same for our civilian population? In addition, I can also see an application to the future Civil Defense Program.

We welcome the opportunity to participate in this important program.

Respectfully submitted,

Col. Roy Carroll
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STATEMENT OF
AIR LINE PILOTS ASSOCIATION
BEFORE THE
SUBCOMMITTEE ON AVIATION
OF THE
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
U. S. HOUSE OF REPRESENTATIVES
APRIL 25, 1980
MOBILE EMERGENCY HOSPITALS FOR THE AIRPORT
AND THE COMMUNITY

Good Morning, Mr. Chairman and members of the Subcommittee. I am Richard Clarke, Staff Coordinator for the Rescue and Fire (Accident Survival) Technical Committee of the Air Line Pilots Association (ALPA). I am testifying, today, on the behalf of the Air Line Pilots Association which represents the professional and safety interests of 33,000 pilots employed by thirty one U. S. airlines.

The air line pilot is professionally obligated to provide both air travelers, and crewmembers the highest degree of care possible in assuring their safety and well being.

As part of this obligation, the Association was instrumental in bringing about the first airport disaster exercise, in 1971 at the Oakland California airport. Historically, emergency fire and medical services after aircraft accidents had been disorganized and ineffective. With the cooperation of many concerned parties such as Dr. Starr and the other gentlemen seated with me, the Air Line Pilots Association has worked for improvements in this field and today, the airport disaster exercise is a widely accepted tool for achieving accident preparedness.

The lessons learned in nine years of practice and several tragic accidents have all pointed to the absolute requirement for rapid medical response at the crash site. Even under the best of circumstances, medical care is likely to be too late for some casualties if they must be transported to hospitals. In all cases, proper medical care administered on site is critical for survival of the inevitable burn and shock victims —a trained staff of emergency medical personnel must be able to work in the field and proper equipment is vital to their success.

The concept of the Mobile Emergency Hospital, pioneered by Dr. Starr, and the John F. Kennedy Airport community, is the most innovative and sophisticated means of providing immediate care to accident victims that is readily available for application throughout the country. The program proposed to this Subcommittee represents an opportunity to apply a needed response in precisely the right location — the airport community.

I might add that in the years since ALPA first developed the disaster exercise concept, communities have come to realize that the disaster plan originated for an airport and exercised on an annual basis bears fruit for the entire community. Planning and training for mass casualties pay off in *any* disaster situation such as hurricanes, earthquakes, floods, or aircraft accidents. The Mobile Emergency Hospital concept fits into the overall need for community or regional disaster preparedness and would serve as the focus for emergency planning in any community. It is not hard to imagine that the entire population would be potential benefactors for refinement of the Mobile Emergency Hospital such we are discussing today.

That completes my prepared statement. Thank you very much for this opportunity to testify; I will try to answer any questions the Subcommittee may have.

Mr. **Anderson.** Dr. Star, before you begin, would you be good enough to introduce your colleagues on the panel for the subcommittee.

TESTIMONY OF LEON D. STAR, M.D., DIRECTOR, MEDICAL OFFICE, JFK INTERNATIONAL AIRPORT, NEW YORK; LOUISE R. M. DEL GUERCIO, M.D., PROFESSOR AND CHAIRMAN, DEPARTMENT OF SURGERY, NEW YORK MEDICAL COLLEGE; CAMPBELL PRITCHETT, CHAIRMAN, OPERATIONS SAFETY COMMITTEE, JFK INTERNATIONAL AIRPORT, AND OPERATIONS SERVICE COORDINATOR, BRITISH AIRWAYS; RICHARD CLARKE, STAFF COORDINATOR, TECHNICAL COMMITTEE OF THE AIR LINE PILOTS ASSOCIATION; AND COL. ROY ARROLL, COMMANDER, NEW YORK WING, CIVIL AIR PATROL, AUXILIARY OF THE U.S. AIR FORCE

Dr. **Star.** Thank you.

I would like to introduce my copilot on this flight today, Dr. Del Guercio, who is professor and chairman of the department of surgery, New York Medical College. On my right is First Flight Officer Campbell Pritchett, also a pilot, who is chairman of the Operations Safety Committee at Kennedy Airport, Air Lines Management Council. He is also the coordinator of operations services for British Airways.

To my left is Col. Roy Arroll, Commander, New York Wing, Civil Air Patrol. And on my right is Mr. Richard Clarke, staff coordinator, fire and rescue committee, of the Air Line Pilots Association.

Mr. **Anderson.** Thank you very much, Dr. Star.

What you're going to see today may not be particularly pleasant. It is my profound opinion that there is no city in our world that can adequately take care of a midair collision of two 747's in and about an airport.

People have asked what are we doing here today. We are the kind of people who make house calls. We're the doctors who still make house calls. We bring the hospital to the emergency instead of the emergency to the hospital.

With your permission, Mr. Chairman, I would like the panel to review some films and slides, and if the lights can be turned off, we can proceed. It may be necessary to move a bit to see the presentation on my right.

Mr. **Anderson.** How long will the presentation last?

Dr. **Star.** Eight-and-a-half minutes.

Mr. **Anderson.** Will the sergeant-at-arms turn the lights out.

[Film and slide presentation.]

Dr. **Star.** This is an actual situation of an incident in proximity to the airport that occurred in 1975. It is an accident involving a 727 on the approach phase to the airport, experiencing severe wind shear.

You see here an absolutely total immobilization of the highways. My staff and I have been involved at Kennedy Airport for 30 years, and we have experienced and participated in 22 crashes.

When I first started at Kennedy, the word "crash" didn't sell tickets. I was told to play that down. When it first occurred, the first thing that happened at the airport, we had the painters come out and we painted out the logo of the aircraft.

That has all been changed now. The pictures you will see subsequently indicate how that has been changed.

I must say that the group here today are all volunteers. We don't represent airport operations. I have been fortunate to have been supported for almost 30 years in every way by the Port of New York Authority. But I don't work for the Port Authority. I'm a physician at the airport, and my associates here today all are volunteers.

The trend now is to carry as many passengers as you can. There will be less flights, in my opinion, and more passengers carried. On the drawing boards, I understand, they are contemplating double-decking the 747. Can you imagine, 1,000 passengers.

You heard testimony about the problem of hydroplaning, about the problem of radar control, about the problem of a lack of modern instrumentation. Visualize this, if you can. It will happen somewhere in our country one day, where two of these aircraft, 500 people in each, are involved at or in proximity to an airport in a mid air collision or a disaster situation.

People have said to me, what shall I do in case I'm in a crash? I have said to them, "Hold your breath, because your first breath may be your last." The intense heat of 4000 degrees Fahrenheit and the end result of the combustion of the plastics which are so toxic, you will experience an internal burn which requires an immediate tracheostomy to avoid pulmonary edema.

We have devised at Kennedy what we call a mobile emergency hospital. They are really large vehicles. Initially they were two 7QC vans. When the 727 first came out, they interchanged cargo and seats, and stored the seats here. This rapidly became obsolete and I acquired these two at the airport, one for a dollar—that's called "Miss PanAm"—the other for $600, and that's called "Miss TWA". I think I'm the only fellow who could merge Pan Am and TWA, as you will see later.

This was done with no Federal funding. It was done with the complete cooperation of the Port of New York Authority and all the major airlines in our country, vendors at the airport, physicians, et cetera. As you see, we have now a vehicle which can render sophisticated medical care in the event of a disaster at the airport.

As I stated, we have experienced 22 crashes in 30 years. When I first became involved with this type of work, I used to call the dentist to identify the remains, because impact disintegration resulted in an impossible identity situation and we had to have the dental charts.

However, today, due to the increased structural integrity of the wide-bodied jets, and the multi-passenger configuration, more people will survive. Many won't make it to the hospital because of complete traffic congestion, and as I stated before, our group makes house calls. We bring the hospital to the emergency, instead of the emergency to the hospital, as you see here.

This is really a large helicopter airlift. As Dr. Del Guercio later will explain to you, we have a prearranged situation in which heliports in and about the city, in proximity to the hospitals, predesignated heliports, arrive for purposes of bringing to the airport the surgeons and trauma teams.

This is not a situation which requires trained personnel in psychiatry or psychology. This is a situation that requires sophisticated surgical training. The procedures that are done are quick, urgent and emergent, live saving. When a person needs an airway, he needs it. He can't get it in a traffic jam enroute to the city. If he needs a tube in his chest, which is called a thoracotomy, he needs it. If he needs a cardiac tap, because of blood around the pericardium, which is the sac of the heart, he needs it.

The procedures we do with six operating teams deal with this aspect of the problem.

It has been said to me that "well, you know, this equipment is so expensive, it will lie around an airport and you'll never use it". I hope it's never used, but ours is used every day. We use it for hypertensive screening; we use it for early carcinoma detection tests; we use it for glaucoma detection; we use it as a classroom; we give paramedic courses, CPR courses. At present we are contemplating giving a first aid course to the FBI, et cetera. So it is always used, and we hope one day that its value will be proven. I know it will.

If you can imagine, there are over 400,000 landings and takeoffs at Kennedy Airport per year. I think we average 1,200 per day. I stated before, and you have heard before, about the problem of safety, hydroplaning, radar inaccuracies and so on. It is just a matter of time before at some place this mass catastrophy occurs. As I stated in the beginning, it's my profound opinion that there is no city in our country, no city in the world, that can immediately take care of such a disaster.

The implications here are obvious. It's utilization can be applied to other areas—natural disasters, earthquakes, railroad accidents, military applications, war and et cetera. What we do is bring the hospital to the emergency and give a workshop to the surgeons.

There is really no great need to rush anybody to the hospital. That sometimes is the worst thing to do. All hospitals are not adequately equipped to take care of all situations. When our situation has been stabilized, we move the burned, when he is stable to move, to the burn center; the shock case, that has recovered from shock, to the shock center, et cetera. Moving a patient prematurely to the wrong hospital; multiple purposeless movements, is a kiss of death. It's totally silly in the modern concept of medicine.

What I am saying today will be substantiated by another well known surgeon. It is substantiated in the annals of surgery, et cetera. But lay people know you can only bleed so long and then you've had it. You can only stay in shock so long and then shock becomes an irreversible thing. If you're in a traffic jam and you finally arrive at the hospital, big deal—you arrive dead or about to die. There is very little they can do after a prolonged period of blood loss, multiple fractures, shock and internal burns, when you arrive at the hospital.

It is important for us here in our country to realize that one day somewhere we will have a situation such as you see happened in the Canary Islands with 565 deaths.

In this regard, President Carter and associates were good enough to supply to me one of the largest helicopters, called the Sky Crane. We are indicating here how that could be done. The patients have been stabilized. It's an airlift with the helicopter to the appropriate center, et cetera. Of course, this is the "Model T". If you look here you can see how the helicopter can have a fuselage which is the mobile emergency hospital.

When patients have been stablized, then and only then are they moved. Moving a patient prior to stabilization is the worst thing that you can do. Shock must be treated, an airway must be instituted, and then move the patient to the proper center, the burn center, et cetera.

In this effort it has been my good fortune to have the complete support of volunteers around the airport. I think, as will be indicated later, you will see how we have a reserve of over 600 surgeons, two medical schools, over 22 hospitals involved. They have agreed to respond if this terrible day should happen. We have had several drills, and we're going to have another one on May 31. It would be my pleasure if various members of this committee or audience would be there to see it.

As part of my day crew, we have a staff of 80. We're open seven days a week, 24 hours a day, and we are the first team that arrives.

It is appalling to me to know that over 95 percent of our airports have no medical services, have no medical departments, and very, very little contingencies for a disaster. Part 139 of the rules, in my opinion, can be updated. There are no rules for an airport operator as far as water salvage is concerned, none whatsoever. There are some recommendations, including having a bucket ready.

Thank you very much.

Mr. ANDERSON. Let's have the lights back on, please.

Dr. STAR. With your permission, I would now like to have my "copilot", Dr. Del Guercio, speak to you. He is Professor and Chairman of the Department of Surgery, New York Medical Hospital. He has done a tremendous amount of work on shock trauma, et cetera.

Mr. ANDERSON. Dr. Del Guercio.

Dr. DEL GUERCIO. I am a surgeon who has had a careerlong interest in trauma, shock and the care of the critically ill. I was a member of the National Research Council-National Academy of Sciences Committee on Shock, and I am a past president of the Society for Critical Care Medicine. I have also served on National Institutes of Health research study sections dealing with problems of burns and other severe injuries.

The Department of Surgery at New York Medical College includes in its sphere of teaching and service functions a number of major urban and suburban hospitals in the New York metropolitan region. Among them are the Cabrini Health Care Center, Lenox Hill Hospital, Lincoln Hospital, Metropolitan Hospital Center, St. Clare's Hospital Medical Center, St. Vincent's Hospital and Medical Center, St. Vincent's Hospital of Richmond, and the Westchester Medical Center which includes the Hudson Valley Regional Burn Center.

As Dr. Star pointed out, the surgical staff of these institutions includes some 350 accredited surgeons, as well as over 300 young surgeons in training.

Three years ago, the chiefs of surgery at these institutions agreed to assist with what they consider one of the most innovative advances in the management of mass casualties of the past decade. This is the system of mobile emergency hospitals established by Dr. Star, director of the Office of Medical Services at Kennedy International Airport.

The concept is to stabilize the critically injured at the site of the disaster, using these remarkable, self-propelled vehicles which contain a fully equipped operating room and intensive care facilities for 50 patients.

Skilled trauma surgeons and nurses from the affiliated hospitals are airlifted to the scene by small helicopters and fixed-wing aircraft. Dr. Harold Roth, who is a member of the surgical faculty of New York Medical College, as well as being medical director of the Hudson Valley Emergency Medical System, coordinates the volunteer support groups and Armed Forces Reserve Medical Units which respond to these disasters involving multiple casualties. Dr. Dennis Dove, chief of the trauma service at the Metropolitan Hospital Center, coordinates the activities of the trauma teams in the city.

During the critiques of the two previous yearly mass disaster drills, the efficacy and efficiency of the mobile emergency hospital system were clearly demonstrated. As a result of Dr. Star's experience with real disasters at Kennedy, he realized that because of traffic problems ambulance evacuation was frequently delayed and lives were lost through lack of life support facilities at the scene.

Data from the Maryland Institute for Emergency Medical Services, as well as the analysis of the Viet Nam casualty experience, indicate the importance of immediate resuscitation with adequate light, suction, and instruments. Once the bleeding is controlled, adequate breathing established, and the circulating volume restored, the patients can be transferred to various trauma centers in relative safety.

The Club of Mainz is an organization of renowned international experts in disaster planning. Their devotion to worldwide disaster preparedness includes recommendations for on-the-scene advanced life support systems such as the Kennedy Airport plan.

It is my professional opinion that the system of mobile emergency hospitals developed by Dr. Star is adaptable to other airports and other cities. Standardized emergency hospital modules could be designed for airlifting to the sites of other disasters as well.

Young surgeons in training could be familiarized with the standard layout and taught the principles of trauma care. Regional facilities such as these would be very cost effective, since local duplication of resources could be avoided.

In conclusion, I strongly urge the Subcommittee on Aviation to support the concept of mobile emergency hospitals and to consider funding a demonstration project so that other regions can benefit from our experience.

Thank you.

Mr. ANDERSON. Thank you, Dr. Del Guercio.

Dr. STAR. Thank you.

I would now like to turn to a close friend and associate at Kennedy, both in flying and in the operations at Kennedy, Campbell Pritchett, who is chairman of the Operations Safety Committee, the Kennedy Airport Management Council, and the operations service coordinator of British Airways.

Mr. **Pritchett**. Thank you, Dr. Star, and Mr. Chairman. I thank you very much for this opportunity today to speak to you and convey some of my thoughts on this.

I have been working for the Airline Management Council at Kennedy for the last 5 years, and I have been employed at Kennedy for 20 years. I have seen some of the disasters that Dr. Star is now referring to.

Also, in conjunction with Dr. Star's concept of bringing the emergency to the hospital, there is one other needed support, and that is the concept of bringing medical backup teams to a disaster scene by means of an airlift system. We tried this last June during our emergency exercise drill.

In order that we may satisfy the support needed by the emergency mobile hospital units located at the scene of the airport disaster, it is necessary to organize a system to transport qualified medical personnel to the involved area. Utilizing the voluntary services of the Army National Guard, the U.S. Coast Guard, Civil Air Patrol and fixed-base operators, Kennedy Airport during its drill were able to uplift 34 medical doctors in approximately 10 light aircraft and bring to Kennedy Airport in a very short period of time.

Their prime purpose was to supplement the initial medical personnel at the scene. The organization and coordination of this secondary response team was my responsibility under the direction of Dr. Leon Star.

The resources available in outlying suburban areas are common to many major cities. At these locations there are usually airports which handle wide-bodied aircraft, having the potential of mass casualties. To relieve positions involved in the initial phase of the disaster, it is necessary to have physician trauma specialists available at the disaster scene approximately 1 to 2 hours after the inital team has responded. Most major cities have rural satellite airports. These units usually have an air commuter-type service with fixed base operations. This is the key transport vehicle which can be used to transport medical backup teams from rural hospitals and medical schools.

Medical support teams can also be flown to rural areas in support of units assisting in disasters at these areas.

The Airport and Runway Development Act of 1980, H.R. 6721, should provide funds for a pilot study to accomplish the principle of bringing the hospital to the emergency, as recommended by Dr. Star. The formation of emergency medical airlift associations, through aviation groups in local suburban areas, will establish a major transportation link vitally needed with the present day potential of mass casualties. This concept can be applied to other types of disasters—railroad accidents, nuclear mishaps, and natural situations such as earthquakes and floods.

This utilization with civilian and military casualties in the event of war is a logical expansion of the program.

There is reason to believe that through community involvement from suburban areas within a 100-mile radius every major and rural airport in the United States can meet the need of having a first-class emergency plan designed to cope with major disasters. With present technology, voluntary medical services, and coordinated airlift systems, this concept will result in a great increase in the number of disaster survivors. We have accomplished this in the New York metropolitan area with great success.

Thank you.

Dr. **Star**. Thank you, Campbell.

Now I would like to turn to another copilot, Col. Roy Arroll, who is the commander of the New York Wing of the Civil Air Patrol. The colonel represents 3,400 pilots. As you know, the Civil Air Patrol is a part of our Air Force, and I think they have over 40,000 pilots in our country.

Colonel **Arroll**. Thank you, Dr. Star.

Mr. Chairman, members of the Aviation Subcommittee and distinguished guests: As New York Wing Commander of the Civil Air Patrol, I represent 3,400 members. The Civil Air Patrol is a nationwide, benevolent, nonprofit corporation—I refer you to Public Law 476—and is the civilian auxiliary of the U.S. Air Force, Public Law 557.

The Civil Air Patrol consists of approximately 60,000 members. We have at our disposal over 5,000 Civil Air Patrol and member-owned aircraft. We have a communications net of approximately 18,000 radio stations, about 1,000 vehicles, including cars, vans, trucks, ambulances and jeeps, and over 10,000 rated pilots.

The three missions of the Civil Air Patrol are, one, emergency services, search and rescue; two, aerospace education; and three, cadet programs, to train boys and girls aged 13 to 18 in aerospace programs.

Our mission fits in with Dr. Star's concept of bringing the hospital to the patient for emergency treatment due to mass casualties.

The New York Wing demonstrated its capability last spring when we flew an entire medical contingent from Islip, Long Island of approximately 30 people, to JFK, under instrument conditions, in about 30 minutes. This exercise was called "Operation Safe" and was organized by Dr. Star's staff, who simulated a mass casualty air disaster.

Our people are dedicated and stand ready to give their support to local communities throughout the country.

Dr. Star's concept of bringing the hospital to the patient is a valid one. The military has employed this technique and it has saved many lives. Why can't we do this for our civilian population. In addition, I can also see an application to the future civil defense programs.

We welcome the opportunity to participate in this vital program.

I would just like to make one or two personal comments in addition to my written statement. We see our mission in this concept as one of bringing in the second medical team from remote areas. I understand from Dr. Star and his associates that where you have a situation of mass casualties, it is quite obvious that after awhile the first medical team will become exhausted. We are in a position to bring in the second team and, if necessary, even a third team of medical people to supplement the first team.

We can do this in a short period of time. We have our own radio communications net which is available. We have aircraft at over 20 airports in the State of New York, CAP aircraft. We have our people right at these airports. They are available. They are willing and they are dedicated and are knowledgeable.

In addition, Dr. Star has promised me that he is going to review our entire medical program of the New York Wing and help instruct all our people, 3,400, in CPR and first aid techniques, which may be later on another capability of our people. But primarily, at this point, we see it as one of bringing in the second and third teams of medical technicians.

In addition, I see a role in our future civil defense requirements, by having these emergency vehicles, not only at airports but perhaps in communities throughout the country. I think we must look at our civil defense program. It is quite obvious, and it's no secret, that the Soviet Union has spent a great deal of time and money and resources in the last 5 or 6 years in developing a very capable civil defense program which affects the military equation. I think we have to take a good look at it.

I realize that this is just the first step, but it certainly has an application in the future civil defense requirements. I think it's an excellent beginning.

Thank you.

Dr. STAR. Thank you, Roy.

And now I will turn to the gentleman on my right, Richard Clarke, who represents ALPA. He is the staff coordinator for the rescue and fire technical committee of the Air Line Pilots Association, and I believe they have 34,000 members.

Mr. CLARKE. Good afternoon, Mr. Chairman, and members of the subcommittee. At last count we put out 33,000.

I would like to say that my testimony stems from our professional obligation of pilots to provide both air travelers and crewmembers the highest degree of care possible in assuring their safety and well-being.

As a part of this obligation, the association has been instrumental in bringing about the first airport disaster exercise which occurred in 1971 at the Oakland, Calif., airport. Since then, it has worked very hard to promote this concept across the country.

In these drills, and historically in accidents, we have seen that emergency fire and medical services after aircraft accidents have been disorganized and ineffective. With the cooperation of many concerned parties such as Dr. Star and the other gentlemen seated with me, the Air Line Pilots Association has worked for improvements in this field, and today the airport disaster exercise is a widely accepted tool for achieving accident preparedness.

The lessons learned in 9 years of practice and several tragic accidents have all pointed to the absolute requirement for rapid medical response at the crash site—the concept that you have seen on the slides and film earlier.

In all cases, proper medical care administered onsite is critical for the survival of the inevitable burn and shock victims—a trained staff is vital, as is the proper equipment on the site.

The concept of the mobile emergency hospital, pioneered by Dr. Star and the John F. Kennedy Airport community, is the most innovative and sophisticated means of providing immediate care to accident victims that exists today and can be readily applied across the Nation. It is an opportunity to provide precisely the right response and precisely the right location, the airport.

I would like to emphasize here that between 80 and 90 percent of air carrier accidents occur on or near the runway, within 3,000 feet of the runway, thus emphasizing the importance of the medical facilities on the airport.

I might add that in the year since ALPA first got going on the disaster planning concept, communities have come, as a whole, to realize that the airport disaster plan works equally well for a steel plant explosion, floods, fire, even for military action. It is not simply for an aviation accident.

The mobile hospital concept fits into the overall need for the community or regional disaster preparedness and would serve as the focus for emergency planning in the community. Dr. Star's comment about training for medical personnel is critical here.

I mean no criticism, and a member of my family is a doctor, but most medical people are not proficient in emergency medical treatment. It is a very specialized field and requires training such as his hospital can provide the focus for.

That completes my prepared statement. Thank you for the opportunity to testify, and I will answer questions if you have them.

Dr. **Star**. Thank you.

And now, in conclusion, I would like to say that improved standards for emergency and critical care medicine preparedness at airports are sorely needed. In most disasters, the lifesaving potential of resuscitation and life support has not been brought to bear early enough, or with sufficiently advanced personnel and tools, to reduce mortality and morbidity significantly.

Many disaster relief actions have come too late. Political and governmental obstacles will have to be overcome to get local and outside personnel to cooperate for prompt rescue evacuation of patients, transport of rescue and medical personnel and equipment, triage and definitive therapy; crucial factors for mutual help among countries are: Air transportation, a base hospital located near a major airport, helicopters and small aircraft ambulance services, and most importantly, public education in first aid and resuscitation.

As the globe is becoming smaller for all of us, we must convince politicians and governments to mobilize medical, military, and governmental resources toward a common goal. The opportunities are real. Therefore, physicians and nonphysicians, leaders, should commit themselves to the improvement of global collaboration in emergency and critical care medicine.

Lest I forget, I have been constantly coached and encouraged by the gentleman behind me, Mr. Henry G. Williams, who is director of statewide strategies and programs in the Office of Lt. Gov. Mario Cuomo.

Thank you very much.

Mr. **Anderson**. Dr. Star, under FAA regulations, airports which receive service by certificated air carriers must submit a plan to the FAA as to how they will handle emergencies. One aspect of the plan is to show how the airport would provide medical assistance to the maximum number of persons that can be carried on the largest aircraft that will serve the airport.

Are you familiar with the plan which some of the large airports have for emergency medical services, and if so, I would appreciate your comments on the adequacy of this plan.

Dr. STAR. I anticipated that comment, and now for the first time I'm choosing my words. You're referring to Part 139. In my opinion, it is totally inadequate to take care of the contingencies that you saw today.

I have a pamphlet here, which are the rules and regulations as promulgated by the Federal Aviation Administration, and I guess it's 50 pages. There is one-quarter of one page devoted to medical services.

The need to update is apparent. I would rather not be critical of agencies who have not done this or that. But I can tell you, in my opinion, as a result of 30 years of dealing with it, that the regulations and requirements set up by the FAA for airport operators are not adequate to deal with what you have seen today.

If you read them, it basically requires that the airport operator has to indicate where the resources are, how he intends to mobilize them, and in a general way how he would deal medically with an emergency. It does not require him to prove that in a drill. It is sad to say, but one of the largest airports in our country has never had a drill—97 percent of the airports in our country have no medical department.

As far as the other phases of the regulations are concerned, there are no requirements for water disasters. I started this recently at a symposium and I heard the comment now he's on the "water kick." But most international airports are in close proximity to large bodies of water, and as stated previously by other speakers, the largest number of accidents occur in the landing phase. There are long approaches over large bodies of water. Can you visualize 200 people in the water, 300 feet offshore in the mud, experiencing multiple injuries, drowning, and looking for someone to come to them?

The requirements of an airport operator are none. But they do recommend, among other things, that they have a bailing bucket. So, in my opinion, I believe we have to update our rules and regulations in order to more adequately deal with the contingencies that face us every day.

To be repetitious, at one airport we have per year over 400,000 departures and landings. Now multiply that by all the large airports and small airports in our country, and you see the inevitability of a major accident somewhere.

You have heard the testimony about the problem of hydroplaning, radar inadequacies, traffic jams, et cetera. It will happen one day and then people will say, as I said before, you know, we have had a better system; it's too bad we didn't use it.

Thank you.

Mr. ANDERSON. The second question—and you have partially answered it—do most large airports have medical offices, and I understood you to say that 97 percent of the airports do not.

In your opinion, are these offices adequately staffed to deal with day-to-day problems and to serve as a control center for dealing with emergencies?

Dr. **Star**. In the last 4 or 5 years there has been an increase in the number of airport medical offices. San Francisco is now beginning to have 24-hour service, and they have a good group. There's a group very active now in Minneapolis. In Denver there's a group that is beginning to be more active in airport medical services. In Boston, although they don't have a physician aboard, the Massachusetts General Hospital, through video tape and television, are in touch.

What I'm saying to you is that over 95 percent of our airports have no medical facility at the airport. Very few airports have 24-hour, 7-day-a-week services. We do, but I don't think there are four or five in our country that do.

Mr. **Anderson**. The next question you also partially answered. Have Kennedy or other airports ever rehearsed their emergency medical plans?

Now, you indicated you did. But do other airports rehearse their emergency medical plans?

Dr. **Star**. It's not a requirement. Some do.

Mr. **Anderson**. Some do.

Dr. **Star**. Some do. It is becoming more and more the custom. As I stated previously, one of the largest airports in our country never had a disaster drill, as such. They don't have medical personnel or airport physicians.

Mr. **Anderson**. Has Federal funding been sought for any aspect of medical services at JFK, and if so, what was the response to inquiries about the availability of funding?

Dr. **Star**. To my knowledge, there have been no applications for Federal funding. Everything you have seen today was funded by volunteers, myself and other groups. There has been no application for Federal funds. But I am hopeful that as a result of this meeting today, that we have pointed out to you the need for centralizing, if you will, coordinating and upgrading our system, not only at Kennedy Airport—because I believe there we are pretty well advanced in comparison to other airports—but hopefully they will have a unified system in our country, so that somewhere someday the eventuality you see will be adequately taken care of medically.

Mr. **Anderson**. My next question, do you think we should make emergency medical services and facilities eligible for funding under the airport development program, and if so, do you think it will be sufficient to have these services and facilities eligible for funding in competition with other airport projects, or do you think we should make it mandatory that a certain amount of funding go to emergency medical services and facilities?

Dr. **Star**. Mr. Anderson, I thought you would never ask.

I do think that it should be mandatory. That's the only way it will be accomplished. We are constantly in competition for funds from sources that have been tapped by people who are professionals in obtaining those funds.

You ask me specifically that I or groups that I have been associated with have ever made an application for Federal funding. My answer to you is no. But unless it is made mandatory, I don't believe it will happen so quickly, and I think that perhaps a developmental or pilot project at several airports in our country, large and small, could indicate to our country how this could work.

I am not too knowledgeable in how to get funds from the Federal Government, but I can say to you quite positively, unless it's made mandatory, it won't be upgraded so quickly and the funds will have to come from the Federal Government, now in competition with someone who has a problem with hydroplaning, radar surveillance, et cetera. But I can say that we're low man on the totem pole on medical facilities.

Mr. **Anderson**. Some people in Federal Government and at the local levels believe that emergency and disaster services should be able to cope with different types of emergencies and disasters and not be limited to a single type of disaster, such as an aviation disaster at an airport.

The theory is that if emergency services have a broad orientation, resources can be used more effectively and benefit more people.

In light of your experience at JFK, how would you respond to this? And after this question we will recess and come back and finish up.

Dr. **Star**. I would appreciate finishing later.

I would say to you that aircraft injuries are usually multiple, with many systems involved. I stated previously about internal burn, shock, loss of blood, compound fractures, et cetera. It requires the massing of a tremendous number of people. How do we do it? With an airlift, and we have a second team, and we have a workshop that we give for the doctors.

I think that it would be logical to conclude that the same principle could be applied to a natural disaster, earthquake, hurricane, railroad accident, war, et cetera.

Mr. **Anderson**. We have some other questions, and I know Ms. Ferraro does, and perhaps others. We do have to go vote.

So what we'll do is go vote. We'll be right back to complete the testimony of this panel, and then we will recess at that time for lunch.

Dr. **Star**. Thank you, Mr. Chairman.

Mr. **Anderson**. The committee will stand in recess.

[Whereupon, the committee was recessed.]

Mr. **Anderson**. The meeting of the committee will come to order.

Dr. Star, I had just asked you a question about where some people believe that emergency and disaster services should not be limited to a single type of disaster at airports. Had you completed your answer on that? I wasn't sure.

Dr. **Star**. I believe I completed it. My answer was that its application I believe is obvious for other types of mass disasters, such as terrorist activities, railroad accidents, earthquakes, war, et cetera. Any situation in which you have a massive number of people in isolated areas or in a centrally located area. I think the application is what I said, namely, to bring the hospital to the emergency instead of the emergency to the hospital.

Mr. **Anderson**. In the facility that you're talking about, that is not a fixed facility but a mobile facility, is that it?

Dr. **Star**. Yes, sir.

Mr. **Anderson**. In other words, you're not suggesting we build our hospitals or some type of hospital at the airport.

Dr. **Star**. No.

Mr. **Anderson**. You're suggesting we have a mobile operation, such as this example that you show here.

Dr. **Star**. Yes, sir. And for the purpose of more description, with your permission, I will go into that.

You see around the room pictures of the van, external pictures. It is 65 feet long, 17 feet high, 12 feet wide. It has two floors. It has an operating room, an intensive care unit with monitors—and these monitors are hooked up via the telephone to the medical school. As a matter of fact, it's the New York Medical College. We hope very shortly to have a burn unit. We have a picture in the corner there that shows them back-to-back. We have a 100-bed hospital. It can be moved about; it can be helicoptered.

But remember, this is the "Model T" in this concept. I have in mind other models which may become amphibious, and we have the technology to do it.

When the expertise arrives at the airport, it is necessary to give them a place to work. We are giving them a place to work, to do simple procedures which do not take a long time, but it makes the difference. If you have to breath, you need an airway. If you're bleeding, the bleeding has to be arrested, et cetera.

Mr. **Anderson**. Then the facility you are suggesting is not limited to airport disasters, but could be also used for a railroad disaster or any other kind of disaster. But how do you actually apply it into the ADAP funding program, rather than the funding program for a railroad disaster or some other kind of disaster?

Dr. **Star**. My goal today, Mr. Chairman, was to discuss airport disasters, a massive number of people injured. My role is not basically to become involved in railroad disasters, earthquakes, wars. I know that at an airport, when you have a mass disaster situation, this type of equipment is mandatory. That's what I would like to basically direct my comments to.

Mr. **Anderson**. The FAA tells us that they believe disaster planning and services should be primarily a local responsibility and that the Federal Government should have limited involvement. Their belief is that if the Federal Government becomes deeply involved, either by planning or funding, then local priorities become secondary.

What is your reaction to this view?

Dr. **Star**. I totally disagree. Mr. Chairman, visualize, if you can, in a wide-bodied jet, landing, let's say, at Topeka, Kans. I just happen to pick Topeka, Kans. I am sure they have a good airport, good systems, et cetera.

The local individuals there are not in the aircraft. The people in the aircraft are vitally concerned with their safety, and not the community. Oddly enough, most of the individuals that have complimented me on my activity have been the traveling public. We have over 25 million passengers a year at Kennedy, and take that number with other major airports and you can see what I'm saying about the traveling public. It's they that are concerned, not the local community.

That is, in my opinion, a way of not dealing with the problem directly. The local community, (a), may not have the resources to do it. We have to help them evaluate and utilize their resources. I have been in touch with the FAA and I totally disagree.

Mr. ANDERSON. Miss Ferraro.

Ms. FERRARO. Thank you, Mr. Chairman.

Just prior to my questions I do have a letter from the National Transportation Safety Board. I had written them with reference to this particular project.

I would ask unanimous consent that the letter received by my office from James King, the Chairman of the National Transportation Safety Board, be made a part of the record.

Mr. ANDERSON. Without objection, it is so ordered.

[The following was received for the record:]

NATIONAL TRANSPORTATION SAFETY BOARD,
Washington, D.C., March 24, 1980.

Hon. GERALDINE A. FERRARO,
House of Representatives,
Washington, D.C.

DEAR CONGRESSWOMAN: This is in response to your correspondence dated March 13, 1980 regarding the emergency mobile medical facility of Dr. Leon D. Star, Director of Medical Services at the John F. Kennedy Airport in New York.

As you know, the National Transportation Safety Board's Congressional mandate is to investigate transportation accidents in order to determine the probable cause and to make recommendations aimed at preventing accidents from happening in the future. The Safety Board reports on the medical assistance provided to accident victims at airports during its accident investigations. When deficiencies are discovered or the regulations are determined to be inadequate, the Safety Board recommends that the Federal Aviation Administration (FAA) take corrective action.

The Safety Board does not have the necessary expertise to evaluate the technical medical aspects of a hospital facility. However, we have made arrangements to visit Dr. Star's facility and discuss his concept with him. Our staff believes that the mobile hospital concept is useful for the purpose of triage, medical stabilization and the immediate treatment of life-threatening injuries of accident victims at the accident site. However, it does not appear that this hospital concept can act as a substitute for the more complete medical care that can be provided by a permanent hospital facility.

The Safety Board is very much impressed by the initiative displayed by Dr. Star and the New York Port Authority in establishing this medical facility at the John F. Kennedy Airport. We believe that the hospital is uniquely suited to this airport and would like to see this concept receive more universal acceptance. We would suggest that in connection with your work on the Airport Development Aid Program you request the FAA to survey a representative sample of airport managers throughout the United States to obtain further date on the need and desirability to establish a mobile hospital project at the Nation's airports.

Your interest in this matter is very much appreciated. If you have questions, or if we can be of assistance to you at any time in the future, please do not hesitate to contact us.

Sincerely,

JAMES B. KING,
Chairman.

Ms. FERRARO. In addition, I would just like to read two paragraphs of the letter:

> We have made arrangements to visit Dr. Star's facility and discuss this process with him. Our staff believes that the mobile hospital concept is useful for the purpose of triage and stabilization and immediate treatment of life threatening injuries of accident victims at the accident site.
>
> The Safety Board is very much impressed by the initiative displayed by Dr. Star and the New York Port Authority in establishing this medical facility at the John F. Kennedy Airport. We believe the hospital is uniquely suited to this airport and would like to see this concept receive more universal acceptance.

So hopefully, if we have a little bit of direction from the National Transportation Safety Board, we might have a different attitude on the part of the FAA with reference to the provision of medical services at airports being a part of the Federal concern.

Dr. **Star**. In that regard they're coming to Kennedy on the 9th of this month.

Ms. **Ferraro**. Dr. Star, I enjoyed your presentation, because I have already visited the facility and I am very, very impressed. I am delighted that you had the opportunity to come down here and address the committee.

But I think what I would really like you to point out—and I don't think it came across in these pictures—is the entire concept that you bring to medical services at the airport, that it's not only bringing the hospital to the patients—and we assume, of course, there will be survivors in a crash—but in addition, what you have done is you have combined the services of Dr. Del Guercio and other people like him to fly in experts to treat those victims, and further, have gotten the Civil Air Patrol to join with you. So this is a total effort by you and the local area.

I wonder if you could describe for us very briefly what occurred during the Eastern Airlines incident in 1975, whether or not this facility was in place and whether or not it was utilized.

Dr. **Star**. At that time we did not have the mobile emergency hospital, but we have a medical facility manned 24 hours a day and I was there in close proximity to the aircraft that was burning.

I was preparing to do a procedure which has been mentioned, simple in nature—it's called a tracheostomy, experienced by a person who has had an internal burn, and he was beginning to have pulmonary edema—that's fluid from his mouth and nose, and he needed an airway. I opened his neck and prepared him surgically as quickly as I could. And a well-intended volunteer snatched him away from me and said, "You're crazy, doc, we don't operate here" and took him in a truck. He died in a traffic jam 100 feet down the road. And one of the pictures that are on the wall indicates the traffic jam.

Ms. **Ferraro**. Let me just pursue that a little bit further.

Where were you going to operate, on the runway?

Dr. **Star**. I was going to operate adjacent to the road. It was not on the runway. This was the road. But wherever I operated, as long as I had the tools to give him an airway, I wouldn't care where it was.

Ms. **Ferraro**. All right. But was there a facility, a medical facility for you to operate in?

Dr. **Star**. No, it was on the ground. In that procedure, you don't need a medical facility. You need some very simple tools.

Ms. **Ferraro**. What would have happened if you had operated?

Dr. **Star**. In my opinion, it would have been helpful to the survival of the patient. It would have established an airway.

Now, perhaps I'm not answering you in the way that you can understand. A tracheostomy is a simple—it's a tube right here [indicating]. It can be done by almost a first year surgical resident, and in some instances in some parts of the world paramedics do it.

Lew, would you like to address yourself to a simple tracheostomy?

Dr. **Del Guercio**. Well, there are many procedures which are called advanced life-support procedures. It is recognized by trauma experts that it is what happens in the first half hour after severe trauma that largely determines one's survival and ultimate disability.

If trauma specialists have a facility such as that which has been constructed by Dr. Star available, with adequate light, and the simple process of having suction so that the area can be cleaned of blood and the surgeon can observe what the injuries really are, that very often in the first half hour means the difference between life and death.

Whether a tracheostomy is done, or whether a tube is inserted through the mouth into the windpipe doesn't matter. But both of those procedures require a clean, well-lighted place, and a basic minimum of instruments. Bringing the trauma teams to the site of the disaster really makes great sense, knowing what we know today about the proper management of the severely injured.

Dr. **Star**. I think you're asking, too, did I have the mobile emergency hospital. No, it was this instance that led me to believe I needed it. But I had the tools to do a simple tracheostomy. Subsequent to this incident in 1975, I and my associates developed the concept of a mobile emergency hospital.

Ms. **Ferraro**. Let me ask you: In an emergency, how long would it take to get medical help to a crashed jet, say, with your hospital?

Dr. **Star**. It depends on the distance from the emergency to the medical center. Our medical unit is there 7 days a week, 24 hours a day. We have up to 60 personnel rotating around the clock.

I was at the Eastern Airlines crash in less than 4 minutes.

Ms. **Ferraro**. If you were to fly in those people you had described in the drill that you did, how long would it take for you to fly in the people from Dr. Del Guercio's office, so that you have a medical team in there to assist you?

Dr. **Star**. That isn't how it works. The way it works is that helicopters, at predesignated heliports in the city, from various hospitals that have heliports or in proximity to heliports, they make the initial response. The Civil Air Patrol and Campbell's group make the secondary response.

Ms. **Ferraro**. To get the initial response to the airport, how long would it take? That's what I'm trying to get.

Dr. **Star**. Lew?

Dr. **Del Guercio**. During the last disaster drill we were flown from the Westchester Medical Center at Valhalla to Kennedy in less than 20 minutes and landed on the tarmac adjacent to the mobile hospital where our people were functioning within 2 minutes of arrival.

The situation of Operation Red Alert is that the phone call goes out, and we then spread the word to some 10 hospitals which participate in this program. Their teams immediately go to the various heliports while the aircraft, helicopters, are in flight. These are either Port Authority helicopters, New York Police helicopters, Coast Guard helicopters, and some industrial helicopters that have volunteered their services. So that there is a network of airlift craft that go out.

We estimate that it would take about 25 minutes to have the first personnel arriving. Meanwhile, Dr. Star's teams, of course, have been there from the first couple of minutes.

Ms. **Ferraro**. So that would fit in with what you said before, with the period of time to address the injuries, that within 30 minutes you could save a lot more lives, and that is precisely what this type of concept does.

Dr. **Del Guercio**. Absolutely.

Dr. **Star**. That's correct.

Ms. **Ferraro**. You mentioned, Colonel, a test that was given in Islip, and you said it took about 30 minutes. How much notice did people have for that test?

Colonel **Arroll**. We had advance notice of the test. However, we realized that if there was a real accident we wouldn't have that kind of notice. However, we do have a radio net which is monitored continually 24 hours a day. So in my opinion, it would not take very long for us to assemble the crews and the planes at almost any airport in the State of New York. I am sure this could be applied throughout the country with similar arrangements.

We did take 30 minutes under instrument conditions to fly the medical contingent from Islip into JFK. I would estimate that if we were given an hour, hour-and-a-half notice, we could do it, and probably by practice, we could trim that period of time down.

This is to bring the second and third teams in. There is an initial team on the premises at JFK right at the moment, so I think we could safely say within 2 hours we could assemble the crews and have the second team on the airport site.

Ms. **Ferraro**. The important part of project, as I see it, for the medical mobile van, is that it seems like a very expensive thing to have at an airport just for emergencies. Can it be used for something else?

Dr. **Star**. We use it every day. As I stated previously, it's a blood bank, we use it for hypertensive screening, we use it for glaucoma detection—that's an eye test—and we have used it for first aid courses, CPR courses. It is really sort of a meeting ground now. We have a ladies auxiliary and in the very near future we intend to give CPR courses to the police, fire department, members of the FBI and Civil Air Patrol. So it is used almost every day.

Ms. **Ferraro**. Does it also treat passengers coming off of planes now?

Dr. **Star**. We have another facility, called the medical office, and the passengers are not involved on a routine basis with the mobile emergency hospital.

Incidentally, there is no charge made for any services in the mobile emergency hospital, because it was put together, as stated previously, without Federal funds. It was all voluntary contributions. It has brought the airport community together, in a way.

Ms. **Ferraro**. Mr. Chairman, I am really very, very excited about this whole project. I think that it provides a service that the airports have not had, and it is rather distressing to hear the figures of those airports that do not have adequate medical facilities, or no sort of medical facilities at all. You said the figure was 97 percent, Dr. Star?

Dr. **Star**. Roughly.

Ms. **Ferraro**. I really feel that in a period when air travel is becoming so common that we must address it.

What I am going to do is offer an amendment to this bill to provide set-aside funds for the establishment of several demonstration projects at airports around the country, to further test the mobile medical facility.

I must say, Dr. Star, I really appreciate your coming down and sharing this information with us. We appreciate it, and you have made a good presentation to the committee.

Dr. **Star**. Thank you.

The last thing I wanted to say in regard to our drill, the need for a drill. I have said several times that the major airports in our country have never had a drill.

I am holding in my hand a picture of a crash. A bird was ingested in a wide-body jet. There were 100-some-odd people on board, and no lives were lost.

Can you imagine if these people were old, retired, undisciplined individuals? The reason that no lives were lost was because this was an air crew that were being transported from New York overseas, and they were all trained in evacuation. The only thing that occurred in this tragic situation was the pilot, I think he fractured his ankle.

If these had been people not trained in disaster planning, trained in evacuation, it would have been a sad day.

I said 97 percent, and I meant large and small airports, not referring only to major airports. It might be higher.

Ms. **Ferraro**. Thank you, Mr. Chairman.

Mr. **Anderson**. Thank you, Miss Ferraro.

If there are no further comments, thank you, Dr. Star, Dr. Del Guercio, Mr. Clarke, Mr. Pritchett and Colonel Arroll, for an excellent presentation.

At this time we will stand in recess until 2 o'clock.

[Whereupon, at 1:20 p.m., the subcommittee was recessed.]

[Whereupon, at 2 p.m., the subcommittee reconvened, Hon. John Fary presiding.]

Mr. **Fary**. The subcommittee will come to order.

I am acting in the temporary absence of the chairman, with his knowledge and permission, of course.

The first witness is John Solomon, American Association of Airport Executives; accompanied by F. Russell Hoyt, executive vice president of the same organization.

Mr. Solomon, you may proceed.

TESTIMONY OF JOHN SOLOMON, PRESIDENT, AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES, ACCOMPANIED BY F. RUSSELL HOYT, EXECUTIVE VICE PRESIDENT

Mr. **Solomon**. Thank you, Mr. Fary.

The American Association of Airport Executives welcomes this opportunity to express its views with respect to the Airport and Airways Improvement Act of 1980. The membership of this association are the individuals whose responsibility it is to manage the Nation's airports—airports that vary in size, and function from the large terminal type down through the medium to the lower activity airports—air carrier, commuter, reliever and general aviation.

We have carefully reviewed H.R. 6721 and find it an excellent vehicle to assure the continuation of a program which has contributed greatly over the last decade to the improvement of the airport and airways systems of this Nation. We have listed some of the features which we believe are sound, progressive legislation, and they certainly are noteworthy. However, in the interest of time, I would like to skip over those provisions and go directly to our concerns which we would like to stress at this point.

The Federal share at most airports would be 90 percent. We support this ratio. For the large and medium hub airports the share "shall not exceed 75 percent." The 15-percent difference is proper, given the large airports' increased ability to come up with matching funds. However, the "shall not exceed" will adversely impact the sponsor's ability to intelligently develop a financial plan for airport improvement. One of the excellent features of the present program is the enplanement entitlement formula which permits the sponsor to quite accurately predict the amount of ADAP available in the succeeding years. However, if he has no assurance as to what the Federal share may be, no sound financial planning can be conducted.

We appreciate the fact that this is a delicate subject. Nevertheless, because of the severely escalating costs of airport development, we would urge your consideration of eliminating or modifying the requirements to meet the provisions of the Davis-Bacon Act.

A new phrase has been included in the conditions under which the Secretary may or may not approve a project—that is, the project must be consistent with the objectives as enumerated in the declaration of policy. Certainly these objectives should be paramount in deciding whether a certain project request be approved. However, given our system of diverse airports, it is difficult, it not impossible, for the Administrator to develop national priorities which will not, in some cases, have a serious adverse effect on compelling and fully justified airport improvement projects. We fear that this language gives the Administrator veto power over capital improvement chosen by airport managers, taking away local control of airport developments. In order to receive Federal funds, the community must give up management prerogatives to the FAA which is a form of subtle blackmail.

The present act and this bill contain a number of assurances that the sponsors must give in order to receive a grant. We would suggest that there be assurances from the other side—for example, that the Secretary not use the threat of withholding ADAP funds as a club to force airports to provide free or preferential parking to FAA employees.

It is encouraging to note the recognition which has been given to the steadily rising airport construction costs by providing for a significant increase in the ADAP funding level in the first year and a programed higher amount each successive year. The increase in the authorization for the FAA's operation and maintenance of the airways system, we are pleased to see, does not constitute a raid on the trust fund—it appears roughly proportionate to the increase proposed in other trust fund expenditure categories. As outlays for facilities and equipment escalate, it is reasonable to assume that the costs for O. & M. increase. We therefore support higher funding in this category. In fact, we would support increases that would permit the FAA to maintain its current staffing levels at the airport district and other offices that bring the assistance and supervision of the airport aid program closer to the airports in the program.

The bill contains several changes in the method of apportioning funds among the airport categories. With reference to the primary hubs, we have some reservations about the ability of the various jurisdictions in a hub agreeing on a common development plan. Nevertheless, this represents a novel approach and one that hopefully will result in improved reliever airport facilities. In the final analysis, if the idea does not work, the unused funds will end up in the discretionary which may then be used to fund projects in the traditional manner—that is, on an airport-by-airport basis.

The enplanement entitlements are increased 10 percent. There is some question whether this amount reasonably reflects the tremendous impact on financing that inflation has caused—up to 60 percent higher costs in some cases. A maximum of 50 percent of airport development funds can go toward satisfying the enplanement formula. This compares with a maximum of 67 percent in the present act. This 50-percent maximum and the higher level of total funds will result in a much larger share going into the Administrator's discretionary fund. We are concerned about giving the Administrator a large single account and the priority to establish his own category of projects. Subdividing for general aviation, reliever, air carrier airports would insure some balance of discretionary funds.

We are presently attempting to project, using various assumptions such as total enplaned passengers, number of eligible airports, primary hub utilization of their apportionments, et cetera, just what the impact the new apportionment formulas will have on the airports as a system. If the record is to remain open for a short period, may we request the privilege of submitting further comments on both the proposed increases in the enplanement formula and the impact of a common discretionary fund?

Commuter service airports will be classified as commercial service airports. Therefore, eligible for enplanement entitlements which, in turn, makes them eligible for terminal building aid. However, there appears to be an unequal treatment of those airports that have been serving the commuter airlines responding to an original need for scheduled service and those replacing the certificated carriers who have exited under the Deregulation Act. This differentiation does not appear justified. We would be glad to work with the committee to develop a refinement of the present language to assure that all airports served by the commuters have equal access to airport improvement funds.

The bill lists authorizations for project grants in amounts equal to specific sums. Does "equal to" mean that the amount shall neither be more than, nor less than, the named dollar figure? The bill recognizes the possibility of appropriations being less than the authorization because it provides for pro rata reductions. However, there appears to be nothing that would permit the appropriations process to appropriate more funds in the event that compelling reasons dictated the need for great expenditures from the trust fund for airport development. The existing act states that the amount shall not be less than the authorization. We prefer that language to the "equal" to language in H.R. 6721.

In the short time since the introduction of H.R. 6721, an element has been included in the program proposed by both the Congress and the administration to reduce the total Federal budget; something that has a bearing on our testimony today. One of the many so-called budget options reportedly being studied by the Congressional Budget Office is the defederalization of the larger air carrier airports and/or an increase in aviation user taxes. If there is a possibility that this proposal will become a reality, we would urge the committee to give careful consideration to including, in final legislation, some mechanism to permit any airport, made ineligible for ADAP, to recover directly from the users at least an amount equal to that that would have been received in ADAP funds.

In the announcement of these hearings, testimony was invited on the airport access question. I am sure the committee will find that public airports have no desire to restrict access. Since airline deregulation, some airport operators have been unjustly accused of preventing new carriers from accessing the airport. However, it has not been the airport's desire to prevent the free play of competition. There are other aspects—aspects over which the airport has little or no control. Aircraft make objectionable noise—noise that some State or local jurisdictions have attempted to alleviate by establishing maximum noise levels or aircraft operating restrictions. The airport cannot serve two masters, it cannot permit continued increases in traffic and still meet these restrictions.

Airport managers have been perplexed for years about the aircraft operators continued disregard for the noise problem, as evidenced by the reluctance to meet FAR 36, more specifically their efforts to seek waivers to postpone compliance with noise alleviation methods. Yet, the scarcity of capacity at existing airports and inability to site new airports will never be resolved until the aircraft noise problem is resolved.

We are concerned over the emphasis to find ways to allocate landing slots at busy airports without a concurrent concern for seeking ways to improve capacity. Since ceilings were put on aircraft operations at the four busiest airports, great strides have been made in the air traffic control functions and certainly more can be made.

Existing airports have improved capacity through additional runways and taxiways, and expanded terminal facilities.

Two recent studies dealing with mechanisms for allocating landing slots at busy airports are so theoretical—so out of touch with reality—that the systems they advocate, if adopted, would have serious adverse effects on air transportation. Airport management would be extremely reluctant to have to get into the role of arbitrator as to how many or who could land at the airport; however, airport management would be even more reluctant to have the Federal Government unilaterally do this. There is little question that the FAA has the statutory authority and expertise to determine how many aircraft movements can be safely handled in the approach and departure from an airport. However, there is more to the problem. The airport must attempt to balance the varying and often conflicting needs of the users and the community. Therefore, the airport must have the authority, presumably downward, to alter any FAA established number of slots in the interest, for example, of relieving terminal congestion or cumulative noise levels and, also, to divide the total number of slots among the various classes of users.

Before admitting defeat—and certainly the rationing of landings by whatever mechanism is an admission of defeat—Government and industry should make a joint effort to assure: One, greater use of the aviation trust resources to fund projects to improve airport capacity and air traffic control; two, strong emphasis on R. & D. on wake turbulence, parallel runway spacing, aircraft maneuvering on airports, and other items that singly or collectively would serve to increase the aircraft acceptance rate; three, upgrading of existing reliever airports and establishment of new ones in the larger metropolitan areas.

Thank you for the opportunity to present our views on H.R. 6721.

If there are any questions, I will be glad to try and respond to them.

Mr. FARY. Thank you, Mr. Solomon.

Mr. Hoyt, do you wish to make any comments?

Mr. HOYT. No, thank you.

Mr. FARY. All right. We have a couple of questions of you, Mr. Solomon.

Under the Airline Deregulation Act there have been many situations in which airlines have wanted to begin new service at airports. My impressions is that in almost all these cases, the airport has been able to find space for the new airline.

Do you have the same general understanding of the situation as I do?

In answering this question, could you comment on whether it has been necessary for airports to persuade existing airlines to sublease to new airlines when the airline could have refused to sublease under its agreement with the airport?

Mr. SOLOMON. Yes, sir, Mr. Fary, we have had the same experience you have had.

In the quest for space in airports, many airport operators are faced with the problem of long-term lease agreements: They have found, though, I think, a high degree of cooperation from the incumbent air carriers in their locations in trying to share space with the new carriers that are coming into the city.

In the case of McCarran International, which serves Las Vegas, in 1978, we had seven airlines. We currently have 18, and by the end of the summer we will have 21 carriers, which is three times as many as we had in October of 1978.

We have found that we are not typical because we do not have long-term lease agreements. As a matter of fact, we set our rates and charges by ordinance and have a 30-day tenancy situation with the airlines, and that has given us a great deal more flexibility. But, by and large, we have not seen any resistance of incumbent carriers at airports or resistance on behalf of the airport operators to prevent new carriers from operating into their markets.

Mr. FARY. Do you expect that during the next few years there will be many situations in which airlines will be unable to gain access to new airports?

Mr. SOLOMON. I think it will become increasingly more difficult. On the one hand, we have deregulation which has benefited a number of markets, such as Las Vegas. On the other hand, we have the threat of having either no Federal funds to help us accomplish construction of runways and taxiways and other necessary matters, or limited funds as a result of the quest to balance the Federal budget.

In the event that we would face deregulation or defederalization in the top 72 or the top 42 airports in the country, we would be very hard pressed indeed to provide facilities for the new carriers who wish to commence service to many of the airports across the country.

Mr. FARY. In your testimony, you state that airport management is reluctant to get into the role of deciding who can land at their airports, but that management is even more reluctant to let the Federal Government do this.

If it is necessary to limit space at an airport to promote safety or reduce congestion, do we not need some control by the Federal Government to insure that slots are not allocated in a manner which will discourage competition?

Mr. SOLOMON. We do not necessarily think that the slotting technique is the way to do that. There are other ways to handle it. And as we said in our testimony, we would prefer if we have to choose one or the other, that airport management be given the authority to allocate gates. At some airports, there is a shared gate program, the Honolulu Airport is a good example of that, where there are no exclusive use gates but they are assigned upon the basis of usage at the particular time of day.

This has allowed a great deal of service into Honolulu and we think that that concept could very easily be adapted by other airports in the United States.

Mr. FARY. Do you believe that airport management should have the right to propose restrictions on aircraft operations to limit noise?

Mr. SOLOMON. I believe that the local community should have the right to make that choice. The airport operator, as an appointed official of the community he represents, is sometimes required to advocate that.

I believe that most airport operators would prefer to have unlimited service into their airports, if given the opportunity. But sometimes the environmental constraints, the desire of the community prohibits the airport operator from making that decision independently, and he must then follow the desire of the elected officials who, in fact, hire him.

Mr. FARY. In your opinion, should the Federal Government play a part in insuring that the restrictions are not a burden on interstate commerce and do not discriminate against some competitors?

Mr. SOLOMON. I think that I would have to answer that by saying we would want to see how the Federal Government would propose to do that. If it involved abolishing contracts between communities and airlines, which might be the basis of the financial aid program, which had been established for the community and the community's airport, then we certainly would not like to see that.

I think that I would conclude my answer there, sir.

Mr. **Fary**. Do I correctly understand your testimony as opposing defederalization unless airports which are ineligible for Federal funds are authorized to collect a head tax?

If your answer is yes: I gather that you do not think that airports would be able to fund capital development by negotiating to obtain increased fees from the airlines.

Could you explain the reasons you do not think the negotiating processes would be adequate?

Mr. **Solomon**. Yes, sir.

My answer to your first question is yes.

My reason is the airlines have a tendency to negotiate from their profit and loss statement. This past year, they have had a disastrous fourth quarter and now, in our discussions with them, in the development of airport projects for McCarran, for example, we are on the verge of embarking on a $200 million terminal expansion project. We need to acquire $30 million of property and need to build a runway, a parallel runway to give us additional capacity which will cost about $60 million. All of this over the next 5 years.

Since we have the ability to do that through the establishment of rates and charges, and sale of revenue bonds, we believe that we will be able to meet that challenge. However, it would certainly be easier for us if we had Federal assistance to build the runway system and to purchase the property that it will take to build that runway system.

We do not believe that we would be successful if we had a long-term lease agreement in negotiating with the airlines for additional rates and charges to produce the revenue to sustain the revenue bonds.

We know that many other airports across the country are facing just that problem. Our situation is most unique in that we think we can accomplish that, but we do not think we can accomplish it without a lot of bloody heads.

Mr. **Fary**. What are your views on the administration's proposal that air carriers or other persons who believe they have been denied equal access to an airport should be allowed to sue the airport for violation of the assurances in its ADAP agreement?

Mr. **Solomon**. Well, anyone can sue anyone for anything at any time. I think that that would certainly be a matter for the courts to decide.

The local community ought to have a right to determine what is environmentally sound for that community, and I think we would have to stand behind that basic premise that if the local community thinks that environmentally it cannot accept any additional service so long as it is done on a nondiscriminatory basis, we think they should have the right to do that.

If the matter needs to be adjudicated, then it should be.

Mr. **Fary**. Counsel, do either of you have any questions?

No questions.

Thank you very much, Mr. Solomon and Mr. Hoyt.

The next witnesses will be a panel consisting of Victor J. Kayne, vice president, policy and technical planning, Aircraft Owners and

Pilots Association, AOPA; and Edward B. Moore, vice chairman, General Aviation Manufacturers Association, GAMA; and Robert H. Cooke, assistant to president for Government relations, National Business Aircraft Association, NBAA.

Gentlemen, the full text of your prepared statements will appear in the record at this point.

[Statements referred to follow:]

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STATEMENT OF
EDWARD B. MOORE, VICE CHAIRMAN
GENERAL AVIATION MANUFACTURERS ASSOCIATION
ON THE
AIRPORT AND AIRWAY DEVELOPMENT ACT OF 1980,
H.R. 6721
BEFORE
THE SUBCOMMITTEE ON AVIATION OF THE
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
U.S. HOUSE OF REPRESENTATIVES

MARCH 25, 1980

I am Edward B. Moore, President of the Edo Aire Division of the Edo Corporation and Vice Chairman of the General Aviation Manufacturers Association. With me today is Stanley J. Green, Vice President and General Counsel of the Association which represents 39 companies who collectively manufacture over 90% of the world's general aviation aircraft engines, avionics and component supplies used on those aircraft.

We appreciate the opportunity to appear before the Subcommittee on the Airport & Airway Improvement Act of 1980. This legislation is of vital concern to us as manufacturers, to all of the aviation community, and the general public who benefit directly or indirectly from the world's finest system of air commerce.

Background and Industry Status

The original Airport & Airways Development Program, passed by the Congress in 1970, has served many of the purposes for which it was enacted It has enhanced the airports and airway system and thereby served great numbers of people, particularly those traveling by scheduled airlines. This Bill, HR 6721, would continue those efforts, and for that, you are to be commended. But much has changed, even since the amended legislation of 1976, and a new emphasis is needed. The changes have been brought about by the Airline Deregulation Act of 1978, the continuing fuel shortage, the price escalations of fuel, and the continuing decentralization of American industry, which has created new airport requirements. To now meet the needs of the public, greater emphasis must be placed on the general aviation segment of the aviation industry, including the commuter airlines, and business and commercial flying.

Consequently, this legislation must be adapted to fulfill, with even greater emphasis, the intent of the original legislation, the development and improvement of our nation's air transportation system.

General aviation, which is defined as all civil aviation other than large scheduled airlines, is vital to the nation's economy and benefits every segment of American life.

It may also be described as over 800,000 pilots, flying over 200,000 aircraft, some 40,000,000 hours annually, to over 14,000 airports. It complements the excellent airline system of the U.S. by transporting over 110,000,000 intercity passengers annually. Although most of these flights use airports without airline service, one-third of all business flights into major metropolitan areas connect with a scheduled airline. In short, general aviation, which includes commuter airlines, air taxis, and business and personal aircraft, expands the benefits of air transportation.

Our industry employs over 300,000 people in manufacturing, sales, flight departments, maintenance and related services. There are over 5,000 local and independent businesses involved in general aviation.

Since the ADAP Bill was enacted 10 years ago, considerable growth has occurred in the general aviation industry, growth which has recently accelerated and become vitally important in light of the Airline Deregulation Act of 1978. Over three-quarters of the flying is for business and commercial purposes, as more and more businesses are finding the general aviation aircraft to be an indispensable business tool.

In 1979, the industry delivered 17,048 aircraft with a dollar billing of 2.2 billion. Twenty-three percent of these aircraft were exported, thus contributing 600 million dollars to our balance of trade.

The sophistication of now aircraft is increasing. Many are being delivered with all weather capability. There is an increasing trend toward cabin pressurization. Twenty percent of new single-engine aircraft are delivered with turbocharged engines, providing greater fuel and range efficiency.

Specific Provisions of HR 6721

The two most important needs of the U.S. air transportation system, as we enter the decade of the 80's, are the same as those recognized by Congress in 1970, i.e. capacity and safety. Particularly in the densely populated areas of the country, capacity must be expanded. For general aviation, this can be achieved by creating more, or upgrading existing,reliever airports. These airports must be fully equipped and safe to attract the traffic which does not need 10,000 foot runways and large terminal buildings.

Obviously, it is in the most densely populated areas of the country that competition and demand for airport services is most acute. Major problems exist in building new airports, as well as in improving existing airports. Yet neither under the 1970 Act or the 1976 amendments, has the Congress authorized or directed a major thrust to develop a system of property equipped reliever airports.

Airport development must better reflect the changes in, and needs of, the air transportation system. The proposed funding level of $225,000,000, contained in HR 6721 for reliever airport development in the period 1981-85, is a great improvement over the present program which is inadequate to meet established needs. However, the needs of reliever airports far exceed even this amount, a situation caused by a lack of funds for the past decade and the rapid growth of general aviation.

For example, during a nationwide study, industry groups, representing pilots, operators, business users and manufacturers, projected a need for $250,000,000 in just 30 hub areas, to increase capacity and safety. In addition, DOT documents indicate that over 50 general aviation airports, many of them classified as relievers, are exceeding their practical annual capacity. Operations at 35 general aviation airports, again some classified as relievers, are exceeding the criteria for the establishment of an FAA control tower. Only 41 of the 146 designated relievers have a commisioned instrument landing system. Last year, FAA

Administrator Bond announced the Satellite Airport Program, which includes 236 airports. Considering Instrument Landing Systems (ILS) currently installed and those budgeted through 1981, 111 of these airports still do not have ILS's.

We urge Congress to mandate an accelerated reliever airport program over the next five years. We recommend that a minimum of $70 million per year be specifically authorized for relievers, with annual increases to keep pace with inflation.

The loss of airports in metropolitan centers is a serious problem. Government projections anticipate that an average of 36 airports per year will close, due to economic factors, over the next 10 years. These are airports in locations that we cannot afford to lose. These are mainly privately owned, public use airports which will be lost, because their owners and operators cannot afford the expenses of necessary upkeep and improvements, while paying higher and higher local taxes.

Major federal emphasis on a reliever airport program and ensured adequate funding, for the first time, will certainly be positive factors in meeting this priority requirement.

Obviously, many communities that have counted on Trust Fund monies for their airport development have been unable to meet their growth requirements. General aviation provides the only air transportation link to most of these communities. We support the proposal calling for $85 million to be spent on general aviation airports and an additional $200,000 for each airport served by commuter airlines not in primary hub areas.

Private airports open to the public have been recognized for the first time in HR 6721. We support this, realizing that many privately owned airports provide vital reliever and safety functions in major hub areas. Participation of private airports, with the established safeguards in this Bill, is a major step toward achieving increased safety and capacity, as well as saving endangered airports. The minimum cost to the taxpayer for this additional airport capacity is, of course, an added plus.

We are also pleased to see the Committee's proposal calling for increased emphasis on joint civil and military use of military airports. As it is difficult (or impossible) to construct new airports in many locations, we must take maximum advantage of the underutilized military facilities we have, particularly in metropolitan areas. Joint use will make a major contribution toward relieving congestion and providing excellent facilities, at minimum cost to the taxpayer, with a maximum benefit to the nation through the maintenance of these airports for national defense.

The Airport Aid Development Act passed by Congress in 1970 and amended in 1976 is basically sound legislation. However, because of the way the Trust Fund has been administered, huge accumulations of surplus monies have been allowed when there is a desperate need for immediate upgrading of safety and capacity requirements in general aviation. These surpluses should be used for those purposes, rather than utilize them for operations and maintenance.

Recognizing the important environmental issues that are needed in airport planning, particularly in the field of noise, and to mitigate noise problems to the greatest extent, the language of the 1970 Act in Section 11, subparagraph 3, defining "airport development" (relating to the purchase of noise suppressing equipment, the construction of physical barriers and landscaping to diminish the effect of aircraft noise on areas adjacent to the airport), should be included in the definition of "airport development" in this Bill, HR 6721. To exclude such language can only be interpreted to mean, that under this Bill, it was intended that such payments to reduce noise are not to be made, a result not believed to be intended. The Aviation Safety and Noise Abatement Act of 1979, even if amended as proposed in this Bill, will not provide such funds for reliever and general aviation airports.

Further, under the definition of "airport development" in this Bill, acquisition of interests in land may only be made to remove or mitigate safety hazards. In the 1970 Act, such acquisition could be made to ensure use compatible with the noise levels of the airport. Again, it is recognized that it is not the intent of the drafters of this Bill to prohibit use of the monies to be appropriated here for purchasing such land, or interests therein, to ensure noise compatibility. Though this is evident from the language of Section 10, Project Sponsorship, subparagraph (a)(12), it may well have to depend on the interpretation of a court, because it was specifically left out of the language of HR 6721.

We strongly urge that the definition of "airport development" be amended to more closely conform to the language of the 1970 Act.

There are some specific provisions of HR 6721 which may need some clarification to prevent misinterpretation. For example, Section 3, Definitions, subparagraph (2)(B)(i) includes the acquisition or installation of navigation aids, including site preparation, at public use airports, under the definition of "Airport Development". Section 5, subparagraph (C)(2) provides for the same work, under "Airways Facilities and Equipment", with further provision for reimbursement of a sponsor for site work done in connection with "Airport Development." Although we believe the intent is to permit air navigation aids to be installed under either authorization, it is not clear whether the sponsor's portion is to be reimbursed from "F & E" funds, or who would own, operate and maintain the facilities if established under "Airport Development."

We also have some difficulty in understanding the "two-for-one" penalty in operations and maintenance funds if available "Facilities and Equipment Funds" are not obligated. We certainly do not oppose this provision, but we would not like to see it cause hasty or unwise procurement of capital items to prevent loss of operations funds. We suggest that some mechanism be provided for Congressional Appropriations Committee waiver of this provision in those cases where unforeseen circumstances would prevent prudent obligation of F & E funds within the year they were appropriated. Overall, we concur with the Committee's levels for F & E authorizations.

We also question whether the language under Section 8, subparagraph (b)(9), relating to an airport astride a county line is consistent with the broad purposes of the Bill, as HR 6721 contains provisions in other sections for public hearings and protection of the public on environmental and other issues.

The Administration and the House Budget Committee have proposed increases in general aviation taxes. We certainly see no justification for a tax increase until the trust fund surplus is utilized for the purpose intended.

In the long term, we support reasonable user charges, for general aviation, for airport/airway development. However, the Administration proposal for a new 6% excise tax and a 10% advalorem fuel tax are both retrogressive and patently unfair. While we support a set fuel tax, an advalorem tax directly tied to the price of fuel would increase at a rate much faster than the inflationary rate. An excise tax is strictly a sales depressive measure and is not related in any way to the use of the airport/airway system. Many of the proposals are based on the controversial and widely discredited cost allocation study.

We have consistently said that we are willing to pay our fair share, and strongly believe that the public benefit aspects of the airport/airway system are much more far reaching and beneficial than accounted for in the study.

We would recommend that this Committee strongly consider the public benefit aspects of the airport/airways system in its consideration of this Bill.

Recommendations

To meet the growing needs of general aviation, we recommend that:

1. Recognizing past reluctance by DOD to open military bases to civil aircraft use, this Act should appropriate specific funds for use by the Secretary of Transportation to prepare plans for the purpose of determining, with the Secretary of the DOD, what military airfields can be used by the civil aircraft sector, without compromising the military missions, and to fund projects needed to accomodate civil aircraft.

2. A reliever airport program of at least $70 million per year be established. Currently, only $15 miilion a year is authorized. This would help prevent another San Diego type tragedy.

3. The general aviation airport program funding level recommendation in this Bill be established.

4. The uncommited Trust Fund surplus, which will reach over $3 billion by the end of FY 1980, be utilized for capacity

and safety purposes. The priority expenditures should be for increased airport capacity, including new airports, and safety items, such as instrument landing systems, navigational aids, modernization of the Flight Service Stations, etc.

5. Provision be made to assist private airports, available for public use, which serve as an important link in the national air transportation system.

6. The level of expenditure, as recommended in this Bill, be adopted.

7. While reasonable user charges are supported, general aviation taxes not be raised until the Trust Fund surplus is used up and future program levels determined.

We would now like to address the questions on access as requested by this Committee.

With respect to the Committee's request for testimony on the subject of airport access, I am limiting my response to the questions covering general aviation only.

The issue raised in question two, should there be restrictions for safety or ground congestion, has really been answered. FAA found, in 1969, that a number of airports were congested, because of air and landside limitations. This caused reductions in the level of safety, in addition to the "delay" costs, such as additional fuel usage and lost productivity. There was no question then, nor should there be now, that the Federal Government has preempted the whole field of access to an airport. The matter has been to court and settled in favor of Federal preemption.

Existing Federal administrative procedures are adequate to provide a means to make input to any rulemaking activity concerning access criteria for a single airport or a class of airports. Such procedures would not be available if the local airport were permitted to decide on the kind of restrictions or when to impose them. Further, a local airport should not be expected to balance the effect of its restrictions on other airports.

GAMA believes that when there are problems of safety, or air or ground congestion, the Federal Government, through the FAA (and in accordance with its existing procedures), should determine what restrictions on access to the airspace and airport should be imposed.

With respect to question three, the general aviation users have found adequate, the kind of system imposed by FAA at Washington National. This is a confirmed reservation for a particular hour, or "on-the-spot" request to, and permission from, the Controller to use the facilty on a "no adverse effect on other airport operations" basis. Scheduling committees are not used, or needed, in the case of general aviation aircraft operations.

Of most significance is how to allocate slots between various classes of users, and kinds of use (i.e., general aviation, scheduled air carrier scheduled commuter, local training, etc.). The authority to allocate lies with the FAA, and we believe that this Committee should provide some guidance to them. If you chose to provide such guidance, we submit, for your consideration, the following thoughts.

The last sentence of Section 308(a) of the Federal Aviation Act of 1958 makes very clear that access to the airways and airports that have received Federal funds is not to be exclusive. In fact, this Committee has recognized the excessive zeal in applying the "no exclusive right provision" and is proposing relief, under Section 22 of this Bill, which we support.

But far more important and significant than the last sentence of 308 (a), is the first sentence. Let me shorten the sentence by using only the operative words, leaving out all of the qualifiers. " No Federal Funds . . . shall be expended . . . . except upon written . . . certification . . . that such landing area or facility is reasonably necessary for use in air commerce . . . "

The term "air commerce" is used and that means any operation of any type of aircraft.

It is obvious that no preference may be given to any class of users or type of aircraft. Likewise, within the bounds of safety, no one may be refused or excluded.

If the number of persons desiring to use the airport exceeds its safe capacity, some guidelines for allocating access are obviously desirable and authorized under Section 307 of the Federal Aviation Act. These guidelines could include the following views:

1. Historical division or usage by classes of users, e.g., percent of total operations by scheduled air carrier and percent of total operations by general aviation;

2. In cases of changing patterns of use, it may be desirable to establish a separate category for commuter airlines; and

3. The availability of alternative, equivalent facilities, including location or distance from the cities being served, navigation and landing aids, and airport services.

All factors must be considered in any slot allocation plan and all parties must be given opportunity to be heard. As noted earlier, the Federal Government has the authority and has demonstrated its ability to provide the regulatory mechanisms.

The fourth group of questions posed by this Subcommittee inquire about the sort of restrictions, if any, that airport operators may impose at airports to reduce aircraft noise. GAMA, along with the National Business Aircraft Association, has already challenged a broad spectrum of restrictions imposed by a municipal airport operator, allegedly to reduce aircraft noise and to promote safety in the surrounding community.

The position advocated in those cases is the one we recommend to this Subcommittee: the regulation of aircraft noise has been totally preempted by federal legislation addressed to this issue, and therefore local airport operators have no authority to impose such restrictions.

This does not mean that the airport operators have no role in the reduction of aircraft noise, but that that role is limited. It is limited to measures that take place on the ground and do not interfere or attempt to interfere with air commerce. An airport operator may, for example, plan compatible land uses for the airport environs, ensure building insulation that is consistent with aircraft operations, erect barriers and baffles that deflect aircraft noise and secure noise easements. We specifically asked this Committee to include funds for these purposes in this Bill. An airport operator may not, however, restrict the use of the airport to specific classes of aviation users or impose standards that effectively conflict with federal standards. Barred, therefore, would be local curfews, aircraft type or class bans, local noise limitations not equivalent to FAA limitations, training restrictions not imposed by FAA for safety reasons, or other similar restrictions.

The rationale for this position is simple. The aviation transportation and airport system of the United States is complex and involves the consideration and balancing of numerous factors: efficiency, safety, noise, air and water quality, and economic feasibility. The coordination of these factors requires central federal control, capable of balancing the needs of the entire system. The alternative, imposition of restrictions by airport operators, each acting according to its narrow self-interest and without deference to the needs of the broader aviation system, would cripple the national aviation transporation and airport system. Control by the federal government does not prevent input by airport operators. Indeed, it encourages local planning. However, consistent with the principle of unifying federal control, no local proposal could be effective without federal approval. A scheme of airport noise abatement, similar to that in the Aviation Safety and Noise Abatement Act of 1979 for commercial use airports, was also proposed by the Air Transportation Association as a regulation for adoption by FAA. GAMA supported that proposal as perhaps the most rational way to balance the local and national interests. It entails the following:

1. Local preparation of a noise abatement master plan for an airport area;

2. national exposure of that plan and comment thereon; and

3. Federal authority to approve, approve with changes, or disapprove.

This position does not change any legal principle governing liability stemming from aircraft noise. Traditional legal analysis would impute liability to that party who fails to take all reasonable steps, within its power, to minimize airport noise. An airport operator can not be held liable for failing to take steps not within its power to take.

Mr. Chairman, this concludes our statement and we will be pleased to answer the Committee's questions.

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STATEMENT OF VICTOR J. KAYNE, SENIOR VICE PRESIDENT
AIRCRAFT OWNERS AND PILOTS ASSOCIATION (AOPA)
Regarding Airport and Airway Development Legislation
Prepared for Hearings March 25, 1980 before the
SUBCOMMITTEE ON AVIATION
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
U. S. HOUSE OF REPRESENTATIVES

I appreciate the opportunity to testify on behalf of the more than 245,000 members of the Aircraft Owners and Pilots Association (AOPA) who employ private aircraft for business and personal purposes.

AOPA members own more than two-thirds of the general aviation aircraft registered in the United States and fly about 80 percent of the hours flown in general aviation. General aviation is the largest segment of the users of the airspace, having 98 percent of the U.S. civil aircraft, 96 percent of the pilots and accounts for 85 percent of the total civil aircraft flying hours.

Our members have a deep interest in the decisions this committee will be making in the near future.

H.R. 6721, the proposed ADAP extension, represents a significant step forward and we are pleased with the general thrust of the bill as an extension of the ADAP program.

We have not been pleased with the programs that have been carried out under the Airport and Airways Act over the past ten years. It has been both disappointing and frustrating. The need for airport and airway improvement is vast. The trust fund has raised large amounts of money to deal with these problems only to see some of that money impounded rather than spent to enhance the safety and capacity of our national system. In addition, the large surplus has been a tempting target for uses other than those for which it is intended.

We urge the committee to report a strong and effective bill that will bring equity to the ADAP program and provide better guidance to the Federal Aviation Administration.

The initial declaration of policy in the bill fails to mention the needs of general aviation. This overlooks the fact that virtually every prediction indicates that general aviation will be the dominant source of growth in aviation.

Nor does the policy section give adequate attention to improving and expanding the national aviation system. We believe it should be directed in this goal. The emphasis should not be limited to meeting only commercial service needs.

We agree with the statement in the bill that expresses the sense of Congress that federal administrative requirements on airport sponsors should be reduced and simplified. However, it will probably take more than a statement of principle to achieve this objective.

With regard to airport planning, the need for and the means for adequate planning are well known and understood. What is needed is better quality control rather than additional airport system planning programs.

We would urge that the increased money authorized for this purpose go to development programs which enhance and improve airports. We do not believe it is necessary to earmark substantial funding for consultants and "planners." We note the recent report of the General Accounting Office which points out both the abuses that are inherent in the hiring of consultants and the lack of value in the product received.

The real problems that beset airports are political ones arising largely from public ignorance of the social and economic benefits flowing from airport development. It is here that utilization of some trust fund resources, along with some policy leadership from the Congress and the Department of Transportation, would be more valuable than all the additional planning reports money could buy.

We do not support the definition of commercial service airport included in the bill. It fails to respond to operational realities in terms of passenger service aircraft movements, and likewise fails to deal with the needs of general aviation.

We strongly urge you to define a commercial service airport as one which has ten scheduled departures per week. Such a definition would meet the current and future needs more positively and would lead to a schedule of desperately needed improvements at these airports.

We support the defederalization provision in the Senate ADAP bill. We know the large airports do not need trust fund assistance and are fully capable of financing their own requirements. On the other hand, trust fund aid at the smaller airports can make all the difference in the world in developing a strong and vital airport system.

We strongly disagree with the provision to define a reliever airport only as one so designated by the Secretary. A practical definition is needed that is specific, while still permitting the Secretary discretion to designate relievers outside of the specific parameters as he may see fit. We recommend the following definition: "Reliever Airport" means any public-use airport, other than a commercial service airport, which (a) lies within 25 miles of any primary airport which enplanes 0.25 per centum or more of the total national enplanement; (b) lies within 50 miles of any primary airport which enplanes 1.0 per centum or more of the total national enplanement; or (c) is designated by the Secretary as having the function of relieving congestion at a commercial service airport. This would recognize the true reliever situation and place practical and realistic geographical limits on the reliever concept.

A number of the aviation groups have gotten together and developed a development plan for 26 major hub areas that has been submitted to the committee and to the Federal Aviation Administration. We have had virtually no response from the FAA and yet the program that we developed puts the FAA's efforts on reliever development to shame.

The current list of FAA-designated reliever airports does not take advantage of the potential of many airports for relieving congestion at commercial service airports. Nor does it look forward to the future in any respect.

The current National Airport System Plan is not a national airport system plan. It is simply a means adopted by the FAA to restrict the distribution of funds and reduce the decisionmaking that the FAA should be doing to achieve a comprehensive national airport system.

Every airport in the country provides access to the national airspace. If we are to develop an action plan that will meet present and future needs in air commerce, we must consider every element of that system. Presently, we have many situations where two or more airports are in a hub area -- each one needed, but only one is in the NASP and the others are not. The result is that funding, attention, support and improvements all go to the one and not to the others. As a consequence, an airport is lost through its inability to compete with the favored airport. We would like to see this situation rectified.

We fully recognize that a national airport system plan which reflects the needs of the entire system is not going to be able to be immediately and totally funded and that many of the airports included in the plan would be unable to receive funding at once. On the other hand, we believe this is the only way to establish the ultimate goal. Moreover, we believe that airport aid in the past has been concentrated excessively on too few airports. More airports should be able to share in the program.

We prefer that the National Airport System Plan be abolished. However, inclusion of all public-use airports in the plan would correct the difficulties we note in the current version.

H.R. 6721 retains the language in existing law regarding the role of the Department of Defense in making military airports available for joint military-civil use. This provision has been proved to be totally ineffective. In conjunction with other aviation groups, we will submit language to the committee that would require immediate action in evaluating the possibility of civil use of military airports. We urge adoption of that language.

We have seen a number of military airports discontinued as military facilities without being converted to civil use. This is an irreplaceable loss to the nation, to civil aviation, and to the affected communities. Existing civil airports remain congested, new airport sites are rejected, and communities lose the economic and social benefits that an airport provides.

We agree with others that in the noise abatement field, the construction of physical barriers for noise deflection and noise related landscaping should be eligible items for airport development funding. This authority is in existing law and we would not like to see it eliminated in the forthcoming legislation.

The current Section 20 of the Airport and Airways Development Act requires a sponsor who has accepted terminal aid to provide for access to the passenger enplaning and deplaning area of such airport for passengers from aircraft other than air carrier aircraft. The House bill would change its language to read "passengers enplaning from aircraft providing scheduled service." This cnanges the intent of the 1976 language so as to exclude general aviation from being entitled to airside terminal access. We strenuously object to this proposal.

We have available an FAA list of sponsors who have accepted terminal aid and find that only a fraction of the sponsors listed actually afford general aviation the required terminal access. The underlying reason commonly given for the denial is that FAA-mandated security procedures required under FAR 107 will not allow for general aviation airside access. We urge the committee to address this problem and to strengthen the intent of the language approved by the Congress in 1976.

We applaud the provision to tie funding for operation and maintenance to the performance of the FAA in carrying out its responsibilities in airport and airways development. The committee's "cutback formula" is a most welcome step in this direction and we very much hope it will be in the final bill that is sent to the White House.

We believe that the amounts for operation and maintenance to be drawn from the trust fund are excessive in view of the critical needs for airport and airways development. We urge that they be cut back to roughly the current rate rather than the 30 percent initial increase proposed in the bill.

The provision for state apportionment is too small an amount and percentage. It will have very little impact on airport improvement. It is designed for the smaller airports that are lucky enough to find themselves in the National Airport System Plan, but when all the dividing of the money by state and territory is taken into account, virtually no project of any significance can be completed. We would like to see this amount of money expanded -- most preferably at the expense of the operation and maintenance authorization -- and would like to see the states have a greater role in determining the allocation of this funding. We strongly believe they are at least as well equipped, if not better, than the FAA to determine the needs and priorities of the thousands of airports across the country.

We recognize the great disparity in quality and size of state aviation departments in the various states, but believe these differences will be minimized as states perceive an opportunity for a useful, functional role in airport development. Several states have demonstrated they can get more value for the dollar and more expeditiously than under existing FAA constraints. They have also shown a high degree of administrative good judgment and foresight. We would like to see this concept continued and expanded substantially and would like to see the committee direct the program in this fashion.

However, if such an effort is to have any success at all, the funding commitment must be there. We repeat, we do not believe there is sufficient money in this section of the bill. We urge that the proposed allowance for operations and maintenance be cut back to the current level and the remainder of that amount in H.R. 6721 be added to the state apportionment.

The bill permits the Secretary to require that any application for airport development funds include certain aids such as approach light systems, touchdown zone and centerline runway lighting and high intensity runway lighting. We believe that this discretionary authority should be restricted to use at the largest air carrier airports. This authority could result in overequipping many airports when there are other more important safety items needed at that facility, such as automated weather observation equipment.

The bill restates the existing national policy that airport development projects meet environmental laws. This does not have any substantive effect on environmental improvement and is simply a restatement of existing law. However, it gives one additional statutory fragment for a potential litigant to use when seeking to halt airport improvement facilities. Since it adds no additional environmental protections, it should be stricken from the bill.

Section 15 "c" of the proposed legislation exempts certain federal lands from the consultation process with the Secretary of Transportation regarding airport and airway development. The cooperation under the proposed legislation is totally within the judgment of the agency which owns the federal land. We do not feel the exemption is necessary nor that it adds anything constructive to the bill.

With regard to the amounts specified for Airways Facilities and Equipment (F&E), we agree with the amounts and generally support the specific items that FAA has included in their F&E program. However, there are two items that we believe to be unsound and which should be deleted or altered.

The first is the VICON project for control lights on an airport to provide redundancy for ATC clearances on the ground. These lights have been tried twice in the past at Washington National Airport and were discontinued both times as being impractical and a potential source of misunderstanding. We deem this project a gross waste of money.

The second is the automated Terminal Service. We do not agree with the concept. Test flights by our staff pilots have confirmed that the FAA plan could generate hazardous traffic conditions leading to midair collisions. NASA has a somewhat similar system that provides advisory information and we believe that the NASA system might be acceptable whereas the FAA system is not acceptable.

The committee appended several questions to its letter of invitation to these hearings. One of vital importance to general aviation is that regarding airport access.

It has been universal policy since the beginning of aviation that airports will be available under reasonable circumstances to all who want or need to use them. We believe that an equal access amendment is needed, using the same principle that the FAA has used in the past to ensure equal access under the "sponsor assurances" agreement which FAA requires as a condition to receiving federal funds.

We believe that this might best be done by amending the Federal Aviation Act of 1958 to include the following language: "All airports upon which Federal funds have been expended shall be available for public use on fair and reasonable terms and without unjust discrimination, and each such airport shall be open to all types, kinds, and classes of aeronautical use on fair and reasonable terms without discrimination between such types, kinds and classes."

Further, the Act also should be amended to permit any interested person or organization to sue to enforce the equal access provision. We are going to submit specific language for these proposals.

With regard to the committee's question regarding aircraft "noise" and what type restrictions an airport operator may impose, AOPA has articulated its views in briefs amicus curiae in the two Santa Monica cases working their way through the Federal courts in California. AOPA's view, simply stated, is that an airport operator should not be permitted to impose any restrictions which affect an aircraft in flight. This area has been preempted by the pervasive Federal regulatory scheme of air traffic rules, air traffic control, and aircraft "noise." Anything less could seriously derogate safety and uniformity so necessary to the operation of our national airspace system. Nor should an airport operator be permitted to adopt restrictions which unlawfully discriminate among aircraft operators, or unreasonably impede air commerce. The airport owner has the panoply of traditional and effective devices to control noise, such as to locate an airport, acquisition of airspace easements, compatible zoning, airport land uses, and the like.

With regard to the question of whether the airport or the federal government should impose restrictions to meet problems of safety or ground congestion at an airport, the basic Federal Aviation Regulations provide amply for safety of operations and airport operators do have the authority to deal with congestion on the ground. However, this question appears to become involved with that concerning the imposition of quotas and possible allocation of available "slots."

AOPA has long been on record as opposing the quota system and the allocation of slots as a general procedure. We have no objection if the airlines want to limit their own operations at an airport, although we think that this is not in the best interests of either the public or the airline industry. We have recommended many times that the FAA expend their efforts to improve the capacity of the airway and airport system rather than wasting their time on how to constrain the growth of aviation. The FAA speaks of quotas as "managing the growth of aviation." It may be considered more aptly as constraining growth, or as denying service to an airport and a community. AOPA, and others, have filed comments with the FAA in answer to their request for evaluation of the report by the Polinomics group on this subject.

Thank you Mr. Chairman. I will be pleased to expand on our views and to answer any questions.

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STATEMENT OF
NATIONAL BUSINESS AIRCRAFT ASSOCIATION
BEFORE THE
SUBCOMMITTEE ON AVIATION
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
UNITED STATES HOUSE OF REPRESENTATIVES
ON
AIRPORT AND AIRWAY IMPROVEMENT ACT OF 1980, H.R. 6721

MARCH 25, 1980

Robert A. Cooke
Assistant to the President
Government Relations and Energy

The National Business Aircraft Association (NBAA) represents business aviation in the United States. More than 2,250 companies are members of NBAA and they operate over 4,000 aircraft of all types. There are currently over 50,000 business aircraft in the United States, and they provide necessary transportation to and from all of our nation's airports. Business aircraft operators therefore have a strong, continuing interest in the policies and programs which Congress establishes for the development and improvement of our nation's air transportation assets.

Last September, before this committee, NBAA's spokesman outlined some fundamental guidelines for desirable legislation to improve our airport development programs. These were:

(1) Concentrate on strengthening the weakest links in our air transportation chain;

(2) Use the trust fund as the source of capital to fund airport development projects;

(3) Recognize that the nation's system of airports and airways is a public resource from which public benefits derive;

(4) Balance expenditures to equal revenues.

We further pointed out that:

(5) Our most pressing need is for effective reliever airports in major metropolitan areas;

(6) Public-use, privately owned airports provide valuable public service and should be made eligible for federal assistance.

The Subcommittee on Aviation has done an outstanding job in fashioning this legislation, HR6721, to those broad objectives. You have provided program funding levels which will meet the objectives of providing airports and airways adequate to the current growth in aviation and interstate air commerce. We applaud your good work. I would like to discuss a few points in the bill.

NOISE SUPPRESSION AT THE AIRPORT

In section 3, in defining airport development, the authors have apparently elected to omit construction of physical barriers, purchase of noise suppression equipment and landscaping for noise abatement. We do not agree with this omission and ask that language be added during markup to insure that airports' efforts to build noise suppression into the airport be supported by federal funds as it is in the current law.

NATIONAL AIRPORT SYSTEM PLAN (NASP)

Since air commerce in the United States depends upon a national system of airports, it is vital that the Department of Transportation, charged as it is with the promotion and development of our nation's airport and airway system, has available a national airport system development plan which is reliable, factual, efficient and up-to-date.

Therefore, NBAA believes that it would be beneficial for Congress to instruct the DOT/FAA to review and revise the existing national airport system plan continuously on a definable schedule instead of providing open ended language as provided in HR6721 which allows the Secretary to do it at his convenience. We recommend that a reexamination of the NASP occur every three years with the first update of the existing NASP to be presented to Congress in FY 1981.

MILITARY AIRPORTS

Section 4c calls for consultation with the Department of Defense. In our opinion, the Secretary of Defense has not been appraised of the pressing need for relief of congestion in our major metropolitan areas, or he has not been forthcoming in anticipating the availability of military airports to serve as relievers. We base this observation on what is presently happening with respect to Hamilton Air Force Base in California. Hamilton, with a long history of service to our national interest, is no longer needed for military use and has been turned over to GSA for disposition. Reliever airports are desperately needed in the San Francisco Bay area, and Hamilton has many features which make it almost ideal for service as a reliever. A political battle over what use to be made of Hamilton now rages. If Hamilton had been made available for joint use by general aviation some years ago, when its ultimate fate first became evident to DOD, the transition now to a civil airport, while not assured, could be more likely and able to be accomplished with minimum difficulty. We therefore suggest strengthening the language of this bill to require the Sec'ys of Defense and Transportation to study and report to the Congress, on a reasonable deadline, projections of the availability of military airfields and airports which are rationally situated to perform the valuable service of relievers. We would further support expenditures from the trust fund to complete the study and to assist the DOD in making military airfields and airports suitable for joint use service as reliever airports.

FUNDS FOR "TRAINING"

NBAA is unable to identify the reasoning behind Sec 5(d) that provides $250,000 a year for the training of state and local government employees. This section appears to be an extrapolation of the concept which supports the state handling of specific federal airport improvements funds--a concept totally rejected by the Senate and not even addressed (and rightly so) in HR6721 bill. If benefits exist to state, local or even private individuals to attend seminars, workshops, special schools, etc. so as to better understand the working of the provisions of the federal airport/airway grant system then the benefits to the individuals should be able to justify accepting the costs of such training in their own budget. As such NBAA recommends that this section be omitted.

PRIMARY HUB APPORTIONMENTS

I would ask now your attention to section 7(b)(2)(A). The true purpose of the primary hub apportionment is to respond to general aviation needs in the upgrading of reliever airports within those areas most likely to suffer from congestion. While the conditions applicable to such apportionment may be sufficient to provide that attention, we would be much more comfortable were it not so cumbersome and complicated. The primary hub apportionments leave us uneasy about how that money is to be shared. In getting at that problem, we have attempted to identify all the types of airports specified (or implied) in HR6721. These are:

(1) Primary airports which are part of a primary hub (e.g. Newark, NJ);

(2) Primary airports which are not part of a primary hub (e.g. Windsor Locks, Connecticut);

(3) Commercial service airports which are not primary airports which are part of a primary hub (e.g. Midway, Chicago);

(4) Commercial service airports which are not primary airports which are not part of a primary hub (e.g. Merced, California or Shenadoah Valley, Virginia);

(5) Reliever airports which are part of a primary hub (say Norwood, Massachusetts);

(6) Reliever airports which are not part of a primary hub (e.g. Fresno-Chanler Airport);

(7) Public airports which are not primary airports but which were eligible for enplanement apportionments in FY 1980 (e.g. Merced, California);

(8) "Airports other than: 1) reliever airports which are part of a primary hub, 2) commercial service airports which are part of a primary hub, 3) primary airports and 4) public airports that are not primary airports and that were eligible for federal assistance for FY 1980 . . ."

We did tell this committee that we concurred in the concept of allocating funds to relievers on the basis of enplanements at the air carrier terminals which they serve; however we did further propose that a more rapid development of our relievers system would evolve if all of the primary hub apportionments were consolidated into a single discretionary reliever fund administered by the Secretary. So we suggest that the separate funds for each primary hub be scrapped in favor of a simpler formula which would permit the funds to go directly to those sponsors who are prepared to move expeditiously toward the accomplishment of needed airport development. Which leads us directly to:

> Section 7(b)(4)(c) and 7(b)(2)(a) which calls for airport systems plans for primary hubs and provides a minimum of 45 million dollars to write them. While we believe planning to be important, we do not agree with force-feeding it, and suggest that airport system planning be permitted to compete, along with all the other essential development projects, for the funds. If the committee feels it necessary to specify some minimum amount for such planning, then let's specify some maximum amount to preclude unwarranted growth of "planning agencies" and their consultants.

TERMINAL ACCESS

The law today, in section 20(b)(1), concerning terminal development grants, requires certification that the sponsor ". . .has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft. . ." HR6721 would change that language to read ". . .passengers enplaning and deplaning from aircraft providing scheduled service. . ." A subtle change, to be sure, but one which frustrates the genuine concern for passengers who interchange from air carrier to general aviation aircraft; those passengers for whom 1976 language was inserted. Generally, those airports which frustrate such passenger interchange by denying access do so on the advice of the FAA and supposedly for "security". We are therefore not surprised that this language looks very similar to that proposed in the Administration's original proposal, and we ask that this committee return to the language which originated here in the Congress which is contained in the present law.

The subcommittee has asked for comment concerning "airport access", including the thorny issue of restriction to supposedly reduce aircraft noise. I would like to briefly review two cases, Santa Monica Airport Assoc. v. City of Santa Monica, CV 77-2852-1H (C.D. Cal. 1979), now on appeal in the United States Court of Appeals for the Ninth Circuit, C.A. Nos. 79-3550, 79-3589 and 79-3590, and National Business Aircraft Association v. City of Santa Monica, CV 79-4139-1H. NBAA has already challenged a broad spectrum of restrictions imposed by a municipal airport operator allegedly to reduce aircraft noise and to promote safety in the surrounding community.

The position that we advocate in those cases is the one we recommend to this subcommittee: the regulation of aircraft noise has been totally preempted by federal legislation addressed to this issue, and therefore local airport operators have no authority to impose such restrictions. This does not mean that municipal airport operators have no role in the reduction of aircraft noise, but that that role is limited to measures that take place on the ground and do not attempt to interfere with the use of the nation's airways. A municipal airport operator may, for example, plan compatible land use for the airport environs, ensure building insulation that is consistent with aircraft operations, erect barriers and baffles that deflect aircraft noise and secure noise easements. A municipal airport operator may not, however, impose restrictions that restrict the use of the airport to all or any class of aviation or impose standards that effectively conflict with federal standards. Barred, therefore, are curfews, jet bans, SENEL noise limitations, touch-and-go and training restrictions, or any other such restriction.

The rationale for this position is simple. The aviation and airport system of the United States is complex and involves the consideration and balancing of numerous factors: efficiency, safety, noise, air and water quality and economic feasibility. The coordination of these factors requires central federal control that is capable of balancing the needs of the entire system. The alternative is the imposition of restrictions by airport operators, each acting according to its narrow self-interest and without deference to the needs of the broader aviation system, that would cripple the national aviation and airport system. Control of these problems by the federal government need not prevent input by airport operators but, consistent with the principle of unifying federal control, no proposals could be effective without federal approval.

Our position does not require any change in the legal principles governing liability stemming from aircraft noise. Traditional legal analysis would impute liability to that party that fails to take all reasonable steps within its power to minimize airport noise; a municipal airport operator cannot be held liable for failing to take steps not within its power.

Thank you very much, and I will be pleased to answer any questions.

Mr. **Fary**. Please proceed.

TESTIMONY OF VICTOR J. KAYNE, SR., VICE PRESIDENT, POLICY AND TECHNICAL PLANNING, AIRCRAFT OWNERS AND PILOTS ASSOCIATION; EDWARD B. MOORE, VICE CHAIRMAN, GENERAL AVIATION MANUFACTURERS ASSOCIATION, ACCOMPANIED BY STANLEY J. GREEN, VICE PRESIDENT AND GENERAL COUNSEL; AND ROBERT A. COOKE, ASSISTANT TO THE PRESIDENT FOR GOVERNMENT RELATIONS, NATIONAL BUSINESS AIRCRAFT ASSOCIATION

Mr. **Moore**. I am Edward B. Moore, president of the Edo Aire division of the Edo Corporation and vice chairman of the General Aviation Manufacturers Association. With me today is Stanley J. Green, vice president and general counsel of the association which represents 39 companies who collectively manufacture over 90 percent of the world's general aviation aircraft, engines, avionics and component supplies used on those aircraft.

We appreciate the opportunity to appear before the subcommittee on the Airport and Airway Improvement Act of 1980. This legislation is of vital concern to us as manufacturers, to all of the aviation community, and the general public who benefit directly or indirectly from the world's finest system of air commerce.

The original airport and airways development program, passed by the Congress in 1970, has served many of the purposes for which it was enacted. It has enhanced the airport and airway system and thereby served great numbers of people, particularly those traveling by scheduled airlines.

This bill, H.R. 6721, would continue those efforts, and for that, you are to be commended. But much has changed, even since the amended legislation of 1976, and a new emphasis is needed. The changes have been brought about by the Airline Deregulation Act of 1978, the continuing fuel shortage, the price escalations of fuel, and the continuing decentralization of American industry, which has created new airport requirements. To meet the needs of the public, greater emphasis must be placed on the general aviation segment of the aviation industry, including the commuter airlines, and business and commercial flying.

Consequently, this legislation must be adapted to fulfill, with even greater emphasis, the intent of the original legislation, the development and improvement of our Nation's air transportation system.

General aviation, which is defined as all civil aviation other than large scheduled airlines, if vital to the Nation's economy and benefits every segment of American life.

It may also be described as over 800,000 pilots, flying over 200,000 aircraft, some 40 million hours annually, to over 14,000 airports. It complements the excellent airline system of the United States by transporting over 110 million intercity passengers annually. Although most of these flights use airports without airline service, one-third of all business flights into major metropolitan areas connect with a scheduled airline.

Our industry employs over 300,000 people in manufacturing, sales, flight departments, maintenance and related services. There are over 5,000 local and independent businesses involved in general aviation.

Since the ADAP bill was enacted 10 years ago, considerable growth has occurred in the general aviation industry, growth which has recently accelerated and become vitally important in light of the Airline Deregulation Act of 1978. Over three-quarters of the flying is for business and commercial purposes, as more and more businesses are finding the general aviation aircraft to be an indispensable business tool.

In 1979, the industry delivered 17,048 aircraft with a dollar billing of $2.2 billion. Twenty-three percent of these aircraft were exported, thus contributing $600 million to our balance of trade.

The two most important needs of the U.S. air transportation system, as we enter the decade of the eighties, are the same as those recognized by Congress in 1970, for example, capacity and safety. Particularly in the densely populated areas of the country, capacity must be expanded. For general aviation, this can be achieved by creating more, or upgrading existing, reliever airports. These airports must be fully equipped and safe to attract the traffic which does not need 10,000 foot runways and large terminal buildings.

The proposed funding level of $225 million, contained in H.R. 6721 for reliever airport development in the period 1981-85, is a great improvement over the present program which is inadequate to meet established needs. However, the needs of reliever airports far exceed even this amount, a situation caused by a lack of funds for the past decade and the rapid growth of general aviation.

For example, during a nationwide study, industry groups, representing pilots, operators, business users and manufacturers projected a need for $250 million in just 30 hub areas, to increase capacity and safety. Operations at 35 general aviation airports, again some classified as relievers, are exceeding the criteria for the establishment of an FAA control tower. Only 41 of the 146 designated relievers have a commissioned instrument landing system.

We urge Congress to mandate an accelerated reliever airport program over the next 5 years. We recommend that a minimum of $70 million per year be specifically authorized for relievers, with annual increases to keep pace with inflation.

The loss of airports in metropolitan centers is a serious problem. Government projections anticipate that an average 36 airports per year will close, due to economic factors, over the next 10 years.

We support this, realizing that many privately owned airports provide vital reliever and safety functions in major hub areas. Participation of private airports, with the established safeguards in this bill, is a major step toward achieving increased safety and capacity, as well as saving endangered airports. The minimum cost to the taxpayer for this additional airport capacity is, of course, an added plus.

We are also pleased to see the committee's proposal calling for increased emphasis on joint civil and military use of military airports. As it is difficult—or impossible—to construct new airports in many locations, we must take maximum advantage of the underutilized military facilities we have, particularly in metropolitan areas. Joint use will make a major contribution toward relieving congestion and providing excellent facilities, at minimum cost to the taxpayer, with a maximum benefit to the Nation through the maintenance of these airports for national defense.

The Airport Aid Development Act passed by Congress in 1970 and amended in 1976 is basically sound legislation. However, because of the way the trust fund has been administered, huge accumulations of surplus moneys have been allowed when there is a desperate need for immediate upgrading of safety and capacity requirements in general aviation. These surpluses should be used for those purposes, rather than utilize them for operations and maintenance.

Recognizing the important environmental issues that are needed in airport planning, particularly in the field of noise, and to mitigate noise problems to the greatest extent, the language of the 1970 act in section 11, subparagraph 3, in defining "airport development"—relating to the purchase of noise suppressing equipment, the construction of physical barriers and landscaping to diminish the effect of aircraft noise on areas adjacent to the airport—should be included in the definition of airport development" in this bill, H.R. 6721. To exclude such language can only be interpreted to mean, that under this bill, it was intended that such payments to reduce noise are not to be made, a result not believed to be intended. The Aviation Safety and Noise Abatement Act of 1979, even if amended as proposed in this bill, will not provide such funds for reliever and general aviation airports.

We urge the committee strongly to consider the public benefits aspect of the airport airway system in its consideration of this bill.

In summary, our recommendations are for a joint military civil use of military airports where possible, two, a reliever airport program of at least $70 million per year, instead of the current $15 million per year.

Three, the general aviation airport funding level recommendation in this bill be established. Four, the uncommitted trust fund surplus, which will reach over $3 billion by the end of fiscal year 1980, be utilized for capacity and safety programs.

Five, provision be made to assist private-public use airports; six, the level of expenditure, as recommended in this bill, be adopted; and finally, seven, it is recommended not raising taxes until the present surplus is consumed.

Now, going on to the questions that were asked in regard to airport access, I would like our counsel, Mr. Green, to answer those.

Mr. **Fary**. Mr. Green, you may proceed.

Mr. **Green**. Thank you, Mr. Chairman.

We had basically four questions that we were asked, one of which we do not believe is appropriate to the issue of general aviation.

What we have done is in a sense discussed in our testimony, the aspect related wholly to the general aviation aspect.

In question 2, we were asked what type of restrictions should we look toward in the way of limitation on the use of air space, and by whom, and it is our unmistaken and absolute belief that this should be, and has been a Federal type of restriction. The authority is there, the Federal Government has in fact preempted the whole field of access to an airport. There is no room left for local control.

With respect to the last question, what can an airport do for noise, in the way of noise suppression, we believe that there again, the airport has some authority, but very limited authority to reduce the noise at airports through the means it has available today.

It does not have, and cannot have any means to regulate the aircraft access to the airport, or the aircraft that may use the airport. We have strongly taken the view that this too has been federally preempted, as set forth in the *Burbank* case.

This does not mean that the airport's role is one of a negligible amount. This does mean that the airport has the responsibility for local zoning, the erecting of noise barriers, the securing of noise easements, of these items which were initially left out of the definitions section in the bill, and which we have strongly recommended be included in them.

We would bar curfews, we would bar aircraft tight bans, and local noise limitations not equivalent to the Federal limitations, nor would we permit training restrictions, except in those imposed by FAA for safety reasons. The coordination of all the factors involved in the operation of an airport as a part of the total air transportation system requires Federal control.

Thank you, Mr. Chairman. If you have any questions we will be happy to answer them.

Mr. **Fary**. Mr. Cooke?

Mr. **Cooke**. Thank you, Mr. Chairman.

I am Robert Cooke, assistant to the president for Government relations, National Business Aircraft Association.

Mr. Chairman, I am very pleased to be here to represent the National Business Aircraft Association. We estimate there are now over 50,000 business aircraft in the United States that provide necessary transportation service to and from all of our Nation's airports. NBAA consist of over 2,250 companies which operate private aircraft to help satisfy their day-to-day business transaction requirements.

Business operators have a strong, continuing interest in the policies and programs which Congress establishes for the development and improvement of our Nation's air transportation assets.

Last September, before this committee, NBAA spokesmen outlined some guidelines for desirable legislation to improve our airport development programs. These were: concentrate on strengthening the weakest links in our air transportation chain, use the trust fund as a source of capital to fund airport development projects, recognize that the system of airways is a public source, from which public benefits derive.

We further pointed out that our most pressing need is for effective reliever airports in major metropolitan areas, that privately owned, public use airports provide valuable service, and should be made eligible for Federal assistance.

The Subcommittee on Aviation has done an outstanding job in fashioning this legislation, House bill 6721. You have provided program funding levels with which we agree, that will meet the objectives of providing airports and airways current to the growth and interstate commerce. We applaud your good work.

I would like to go to specific points in the bill. First of all, noise suppression in section 3, and as noted by Mr. Moore, in defining airport development, the authors have currently elected to omit noise barriers, and landscaping for noise abatement.

We ask that language be added during markup, to insure that airport efforts to build noise suppression into the airports be supported by Federal funds, as it is in the current law.

The national airport system plan; air commerce of the United States, depends on a national system of airports. The Department of Transportation must have the national airport system development plan which is reliable, factual, efficient and up to date.

We believe that it would be beneficial for Congress to instruct the Department of Transportation, to review and to revise the existing national airport system plan on a definable schedule.

We recommend reexamination of NASP occur every 3 years, with the first updating to be presented to Congress in fiscal 1981.

Military airports in section 4(c) calls for consultation with the Department of Defense. In our opinion, the Secretary of Defense has not been apprised of the pressing need for relief of congestion in our major metropolitan areas, or has not been forthcoming in anticipating the availability of military airports to serve as relievers.

We suggest strengthening the language of this bill to require the Secretary of Defense and Transportation to study and report to Congress on a reasonable deadline, projections of the availability of military airfields and airports which are available to perform the service of relievers.

We would further support expenditures of the trust fund to complete the study, and to make airports suitable for joint use as reliever airports.

Primary hub apportionments, I would ask your attention to section 7(b)(2)(A). The true purpose of the primary hub apportionment is to respond to the general aviation needs in upgrading of reliever airports within those areas most likely to suffer from congestion.

While the conditions applicable to such apportionment may be sufficient to provide that attention, we would be much more confortable were it not so cumbersome and complicated. The primary hub apportionment leaves us uneasy about how that money is to be shared.

We concur in the concept of allocating funds to relievers on the basis of enplanement of the air terminals which they serve. However, a more rapid development would be if all of the primary hub apportionments were consolidated into a discretionary reliever fund, administered by the Secretary. So we suggest that the separate fund for each primary hub be scrapped in favor of a simpler formula to permit the funds to go to those hubs, toward the accomplishment of immediate airport development.

Section 7(b)(4)(C) and 7(b)(2)(A) call for airport system plans for primary hubs, and provide a minimum of $45 million to write them.

If this committee feels it is necessary to specify some minimum amount for such planning, we would ask that you specify some maximum amount to permit unwarranted growth of planning agencies and their consultants.

With respect to terminal access, the law today concerning terminal development grants requires certification by the sponsor that he has provided for access to the passenger enplaning and deplaning area to passengers from aircraft other than air carrier aircraft.

We ask that the committee return to the language which originated here in the Congress, and which is contained in the present law.

I cite briefly two cases, the Santa Monica Airport Association versus the city of Santa Monica, now on appeal, and the American Business Aircraft Association versus the city of Santa Monica. We have challenged a broad spectrum of restrictions by municipal airport operators allegedly to reduce aircraft noise, and to promote safety in the surrounding community.

The position that we advocate in those cases is the one we recommend to this subcommittee. The regulation of aircraft noise has been totally preempted by Federal legislation addressed to this issue, and therefore, local airport operators have no authority to impose such restrictions. This does not mean that municipal airport operators have no role in the reduction of aircraft noise, but that role is limited, too. They may erect barriers, and baffles that deflect aircraft noise, and secure noise easements.

The municipal airport operator may not, however, impose restrictions that restrict the use of the airport to all or any class of aviation, or impose standards that effectively conflict with Federal standards. Barred therefore are curfews, touch and go, and training events, or any other such restrictions, the rationale for this position is simple.

The aviation and airport system is complex, and involves a consideration and balancing of numerous factors: Efficiency, safety, noise, air, and water quality, and economic feasibility. The coordination of these factors requires central Federal control that is capable of balancing the needs of the entire system.

Thank you very much, Mr. Chairman. I will be pleased to answer any questions.

Mr. **Fary**. Mr. Kayne?

Mr. **Kayne**. Thank you, Mr. Chairman.

I am Victor J. Kayne, senior vice president of the Aircraft Owners and Pilots Association.

I appreciate the opportunity to testify on behalf of the more than 245,000 members of the Aircraft Owners and Pilots Association, who employ private aircraft for business and personal purposes.

H.R. 6721, the proposed ADAP extension, represents a significant step forward, and we are pleased with the general thrust of the bill as an extension of the ADAP program. The need for airport and airway improvement is vast. The trust fund has raised large amounts of money to deal with these problems, only to see some of that money impounded, rather than spent to enhance the safety and capacity of our national system.

With regard to the bill, the initial declaration of policy in the bill fails to mention the needs of general aviation. This overlooks the fact that virtually every prediction indicates that general aviation will be the dominant source of growth in aviation.

Nor does the policy section give adequate attention to improving and expanding the national aviation system. We believe it should be directed in this goal.

Now, Mr. Chairman, the real problems that beset airports are largely political ones, arising from public ignorance of the social and economic benefits flowing from airport development. It is here that utilization of some trust fund resources, along with some policy leadership from the Congress, and the Department of Transportation, would be more valuable than all the additional planning reports money could buy.

We support the defederalization provision in the Senate ADAP bill. We realize it is not in the bill before the House. We know the large airports do not need trust funds assistance, and are fully capable of financing their own requirements.

We recognize that some of them are in peculiar positions with 30-year leases, but that is something that will have to be worked out.

With regard to smaller airports, trust fund aid can make all the difference in the world in developing a strong and vital airport system.

We strongly disagree with the provision to define a reliever airport only as one so designated by the Secretary. A practical definition is needed, that is specific, while still permitting the Secretary discretion to designate relievers outside of the specific parameters, as he may see fit.

We recommend the following definition. "Reliever airport" means any public use airport, other than a commercial service airport, which (a) lies within 25 miles of any primary airport which enplanes 0.25 percent or more of the total national enplanements, (b) lies within 50 miles of any primary airport which enplanes 1 percent or more of the total national enplanement; or (c) is designated by the Secretary as having the function of relieving congestion at a commercial service airport. This would recognize the true reliever situation, and place practical and realistic geographical limits on the reliever concept.

The current national airport system plan is not a national airport system plan, in our opinion. It is simply a means adopted by the FAA to restrict the distribution of funds, and reduce the decisionmaking that the FAA should be doing to achieve a comprehensive national airport system.

Airport aid in the past has been concentrated extensively on too few airports, more airports should be able to share in the program.

We prefer that the national airport system plan be abolished. However, inclusion of all public use airports in the plan would correct the difficulties we note in the current version.

H.R. 6721 retains the language in existing law regarding the role of the Department of Defense in making military airports available for joint military-civil use. This provision has been proved to be totally ineffective, and should be rectified.

The current section 20 of the Airport and Airways Development Act requires a sponsor who has accepted terminal aid to provide for access to the passenger enplaning and deplaning area of such airport for passengers from aircraft other than air carrier aircraft. The House bill would change its language to read, "passengers enplaning from aircraft providing scheduled service." This changes the intent of the 1976 language so as to exclude general aviation from being entitled to airside terminal access.

We join our colleague, Mr. Cooke, of NBAA, in asking that that be rectified and returned to the original language.

We believe that the amounts, or funds for operation and maintenance to be drawn from the trust fund are excessive in view of the critical needs for airport and airways development.

We urge that they be cut back to roughly the current rate, rather than the 30-percent initial increase proposed in the bill.

The provision for State apportionment is too small an amount and percentage. We would like to see this amount of money expanded, most preferably at the expense of the operation and maintenance authorization, and would like to see the States have a greater role in determining the allocation of this funding.

We strongly believe they are at least as well equipped, if not better, than the FAA, to determine the needs and priorities of the thousands of airports across the country.

We recognize the great disparity in quality and size of State aviation departments in the various States, but believe that these differences will be minimized as States perceive an opportunity for a useful, functional role in airport development.

We support State participation in the ADAP administration.

With regard to the amounts specified for airways facilities and equipment, F. & E., we agree with the amount, and generally support these specific items that FAA has included in their F. & E. program.

However, there are two items that we believe to be unsound, and which should be deleted or altered. The first is the VICON project for control lights on an airport to provide redundancy for ATC clearances on the ground. These lights have been tried twice in the past, at Washington National Airport, and were discontinued both times, as being impractical and a potential source of misunderstanding.

We deem this project a gross waste of money. The second is the automated terminal service. We do not agree with the concept. Test flights by our staff pilots have confirmed that the FAA plan could generate hazardous traffic conditions, leading to midair collisions.

NASA has a somewhat similar system that provides advisory information, and we believe that the NASA system might be acceptable, whereas the FAA system is not acceptable. The FAA system, incidentally, is being tested at Toms River, N.J., and the NASA system at Wallops Island, Va.

The committee appended several questions to its letter of invitation to these hearings. We would like to respond to several.

The most important one being that of airport access. It has been universal policy, since the beginning of aviation, that airports will be available under reasonable circumstances to all who want or need to use them.

We believe that an equal access amendment is needed, using the same principle that the FAA has used in the past "to insure equal access under the sponsor assurances" agreement which FAA requires as a condition to receiving Federal funds.

We believe that this might best be done by amending the Federal Aviation Act of 1958 to include the following language, and I quote:

> All airports upon which Federal funds have been expended shall be available for public use on fair and reasonable terms, and without unjust discrimination, and each such airport shall be open to all types, kinds, and classes of aeronautical use on fair and reasonable terms without discrimination between such types, kinds and classes.

Further, Mr. Chairman, the act also should be amended to permit any interested person or organization to sue to enforce the equal access provision. We are going to submit specific language for these proposals.

With regard to the question of whether the airport or the Federal Government should impose restrictions to meet problems of safety or ground congestion at an airport, the basic Federal aviation regulations provide amply for safety of operations, and airport operators do have the authority to deal with congestion on the ground.

However, this question appears to become involved with that concerning the imposition of quotas and possible allocation of available slots.

AOPA has long been on record as opposing the quota system and the allocation of slots as a general procedure. We have no objection if the airlines want to limit their own operations at an airport, although we think that this is not in the best interests of either the public or the airline industry.

We have recommended, many times, that the FAA expend their efforts to improve the capacity of the airway and airport system, rather than wasting their time on how to constrain the growth of aviation. The FAA, particularly in their current proposal to impose a curfew, and change the quotas in Washington National Airport, speaks of quotas as managing the growth of aviation."

It may be considered more aptly as constraining growth, or as denying service to an airport and a community. If we do reduce the amount of traffic, you are going to deny service to someone.

Thank you, Mr. Chairman. I will be pleased to expand on our views, and to answer any questions.

Mr. **Fary**. Thank you, Mr. Kayne.

Any of you gentlemen who wish may answer any of these questions.

The first is the testimony of the panel supports "increased joint use" of military airfields by civil aircraft. H.R. 6721 continues existing law in this regard by placing the responsibility on the Department of Defense to advise the Secretary of Transportation as to which military airports will be available for civil use.

Does the panel think we should revise the law to give greater encouragement to joint use?

Mr. COOKE. I will be pleased to answer the question.

The answer to the question is yes.

But I think encouragement is not a strong enough word, Mr. Fary. We would like this Congress to give greater direction to the President in providing airports for joint use.

Mr. KAYNE. I concur.

Mr. FARY. Anybody else wish to comment?

Mr. MOORE. We concur.

Mr. FARY. Thank you.

The second question.

The members of the panel seem to be in agreement that the Federal Government should have primary responsibility for imposing any restrictions on aircraft operations which are needed to reduce noise.

If the Federal Government assumes this responsibility, should the Federal Government also assume some or all of the liability if aircraft operations cause a loss of property values near the airport?

Mr. GREEN. Mr. Chairman, I believe the answer would have to be yes, if the Federal Government was wholly responsible.

What we are really saying here is that even if the Federal Government does assume total control for the regulation of noise as we do propose, there are a number of things that the community, at least communities that have in the past accepted Federal money, accepted to do, and that is local zoning as one example, the establishment of noise barriers, the establishment of landscaping for the reduction of noise. These obligations the community has, should have, and in many cases has not accepted.

There are things they can do. That which they cannot do, they cannot be held responsible for, and that would be the responsibility of the Federal Government.

Mr. FARY. Any other comments in regard thereto?

Mr. COOKE. I am very comfortable with Mr. Green's remark.

Mr. KAYNE. I concur with those, too.

Mr. FARY. Do the members of the panel think that the Federal Government should have exclusive jurisdiction to make determinations that there should be a limitation on airport operations to protect safety and to relieve congestion?

Should the airport operator be able to impose such restrictions on his own initiative?

Mr. MOORE. We believe that that is in the province of the FAA and is not under the jurisdiction of the local operator.

Mr. FARY. Mr. Kayne?

Mr. KAYNE. Mr. Chairman, I may have just a slightly different view on that.

The airport operator certainly has control over his own property and, as such, he could, within the terms of any Federal money he has accepted, he may be able to limit operations to a certain extent. To the extent that he can handle them.

However, I can hardly visualize any airport operator turning business away. I think more likely they will find ways to handle the business.

I travel quite a bit on the airlines. I noticed just within the past week, several cases in Amsterdam there are a number of airlines but they are all handled at the counter by KLM, a cooperative affair. At the new Mary Bell Airport in Montreal, I observed the same thing. Many, many airlines but the handling was done by just a handful of airlines, one airline, for example, would handle all the passengers' check-in and the counter work for three or four of those. A cooperative arrangement. There are ways to do that.

As far as the Federal Government limiting access to airports, true, the Federal Government has the responsibility under the Federal Aviation Act for safety. But I think at the moment that we really have not gotten into a safety situation there. You can have a tremendous number of airplanes in the air, all controlled and all operate safely.

Our point there is that the Federal Government should expend its efforts to increase the capacity so that they can handle more airplanes in the air and if it comes down to allocating slots, something contrary to some previous testimony was said here today, the matter of the Federal Government allocating landing slots at an airport that is not owned by the Federal Government has not been tested in court. I have a feeling that if the present quota system was to be extended to a number of airports, that sooner or later some airport owner or authority would take the Federal Government to court to test that in court, to see if it was valid that the Federal Government could, in effect, restrict the access to their airport.

Thank you, Mr. Chairman.

Mr. FARY. Mr. Cooke, did you want to add something?

Mr. COOKE. With your permission, I would like to furnish a more thorough answer for the record.

Mr. FARY. Without objection, you may submit it and it will be a part of the record.

[The following was received for the record:]

MR. COOKE'S SUBMISSION

Question. Do (you) think that the Federal Government should have exclusive jurisdiction to make determinations that there should be a limitation on airport operations to protect safety and to relieve congestion? Should the airport operator be able to impose such restrictions on his own initiative?

Response. It is our view that the regulation of aircraft in flight, including the regulation of aircraft noise, has been totally preempted by current federal law and therefore airport operators have no authority to impose restrictions. We do not agree with the current spokesmen for the Administration, including the Secretary of Transportation and the Administrator of the Federal Aviation Administration, who now claim that the airspace must be rationed or auctioned. We sincerely believe that if the people responsible for the development of the nation's airspace system do their jobs properly, and if the trust fund and the taxes which feed it are properly applied to development of airspace and airports, then there will be sufficient airspace and airport resources to accommodate us all.

Mr. FARY. The next question.

If it is necessary to limit operations at an airport because of safety or congestion, should either the airport or the Federal Government be permitted to exclude general aviation during peak periods if there are nearby reliever airports which can accommodate general aviation aircraft?

Mr. COOKE. Absolutely not.

As Mr. Moore cited, a good percentage of general aviation traffic into and out of major terminal airports is for the expressed purpose of interchanging passengers to and from airlines. Frequently, the general aviation passenger is the forgotten fellow.

We have talked about revenue passengers for air carriers, and we talked about general aviation airplanes, but the facilitation of the general aviation passenger is the important thing to bear in mind when we talk about the use of these airports by general aviation aircraft.

Mr. FARY. Any other comments?

Mr. Kayne?

Mr. KAYNE. Thank you, Mr. Chairman.

I agree with Mr. Cooke on that; absolutely not.

I would like to add further, however, that the average general aviation pilot does not really like to go into a large busy airport like O'Hare or Kennedy, or even Los Angeles International, unless they absolutely have to. In many cases, however, they do have connecting passengers, they have other business at or near the airport and, in many cases, there is not a convenient adequate reliever airport that they can use so they must go into the major airports.

We feel that while maintaining the right of access to these airports, that if adequate relievers are provided with proper facilities for general aviation, that the general aviation aircraft operators that do not have to use the major airports will, by choice, go to the relievers. They will not go to the major airports. It is a matter that we should preserve but we should do everything we can to provide facilities for them so that they do not have to use those airports when they do not need to.

Thank you, Mr. Chairman.

Mr. MOORE. We concur with Mr. Kayne and Mr. Cooke.

Mr. FARY. Mr. Kayne supports the Senate's concept of defederalization.

Do any other members of the panel have any position on this issue?

Mr. GREEN. We do not believe, Mr. Chairman, that defederalization in the sense that it was proposed is the way to go. We are dealing in an area of a national transportation system. We are looking at it from the point of view that it is likely that the hubs that would, in effect, be defederalized could exist and could continue but, by doing so, they would, in fact, have to look for their own interest first. They would have to look to what that hub needs in the way of equipment. They could not balance it against the needs of the national transportation system, and it is primarily for that reason that we see the needs for a national system with national guidelines, if not, in fact, national standards, that we would oppose the defederalization concept in the Senate.

Mr. FARY. Mr. Moore and Mr. Cooke?

Mr. Cooke. No position on defederalization at the present time. We support the committee's bill.

Mr. Fary. Mr. Kayne supports the provision in H.R. 6721 which cuts back O. & M. funding if all F. & E. funds are not spent.

Mr. Moore has some reservations on this provision.

Mr. Moore, would you please elaborate on your reservations, and then I would like to hear Mr. Kayne's response.

Mr. Green. Mr. Chairman, I will somewhat answer for Mr. Moore on that.

Our reservation with respect to the provision is very simple. First, I would like to say that we are very strongly in favor of the provision. It is a very reasonable request in a sense on the part of the Congress to see that the purposes of the bill which is for facilities and equipment, not operation and maintenance, are met.

But what we are concerned about is some provision that the FAA, for instance, could come back to this committee later in the fiscal year if, for reasons we and they do not foresee at the present time, they have not, in fact, spent all of their facilities and equipment money. In order to protect, if you wish to call it the operation and maintenance side, they may go out and just buy a bunch of useless radar equipment or something or another, store it in the warehouse, but in effect spend rather than lose, spend F. & E. money in order not to lose the O. & M. money, but spend it uselessly.

We would prefer to see some provision that that could be avoided.

Mr. Fary. Mr. Kayne supports a program of expanded State control of funding for general aviation.

How do the other members of the panel feel about this issue?

Mr. Cooke. We are opposed to an expanded State role in airport development.

Mr. Fary. Mr. Moore?

Mr. Moore. We are also opposed to expanded State development in the airport development system.

Mr. Fary. Mr. Green, do you care to make any comments thereto?

Mr. Green. Mr. Moore, of course, is speaking for GAMA and we feel that it is unnecessary, and the Federal role is quite good here.

Mr. Fary. Any comments that you gentlemen care to make in regard to any of the questions?

Counsel, do you have any questions?

Proceed, sir.

Mr. Filler. Mr. Cooke, you advocate in your testimony the expansion of ADAP eligibility to certain private use airports.

Are you in favor of the provision in H.R. 6721 relating to relievers only—21 airports—or do you want to go beyond that?

Mr. Cooke. No. We think that that is a rational way to approach the problem and perhaps you may want to look at it again in a few years and see if you want to expand it further. I think this is a good starting place for the extension of the program to privately owned user airports.

Mr. Filler. Anyone have any different thoughts on that?

Mr. Moore. We agree that it is a good concept. However, we would like to see it expanded beyond the reliever airports.

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Mr. **Filler**. How far beyond?

Mr. **Moore**. Without any particular definition at this time of how far it could go, you mean in miles?

Mr. **Filler**. It is my understanding that there are about 270 general aviation airports that are privately owned, public use airports included in the national aviation system plan. So, essentially, by your testimony, are you advocating all these airports for ADAP eligibility?

Mr. **Moore**. Yes. They would have to justify their need but we would consider them all to be eligible for applying.

Mr. **Filler**. Are you in accord with Mr. Kayne who believes that the NASP in its present form is useless and that all 7,000 public use airports ought to be eligible for ADAP?

Mr. **Moore**. No, we are not opening it to that.

Mr. **Filler**. Mr. Kayne, could you comment on why you think such a large expansion of eligibility is appropriate?

Mr. **Kayne**. It is quite simple.

Part of my statement that I did not read gave an example of two general aviation airports, you might say, in a major hub area. One being a publicly owned airport, privately owned, public use airport which is not in the NASP. The NASP is quite limited and quite restrictive and it is done—put together arbitrarily by the FAA. We have argued over this for some time. You can have two airports in the same general area, you might say, relieving or helping a terminal hub, and because one is not in the NASP but is not eligible for ADAP money, and the other one is in the NASP but is, so that we first would like to see that disparity removed and, second, as you go out into—away from the major terminals, we have forgotten the exact number, about 18,000 incorporated places in this country, and many of them have either no airport to serve them or they have an airport that is provided solely by private enterprise. Public use airport, privately owned. Those airports, we feel, should be eligible for Federal assistance just like a publicly owned airport at the same location would be.

Further, to further strengthen that, you have to realize that those privately owned airports, whether they are public use or otherwise, but the public use ones obviously have more traffic at more airplane space in using them, they collect fuel taxes. They have an airplane basis that pay the registrational use taxes. They are all contributing to the aviation trust fund.

But that airport gets back absolutely nothing for it. So they are contributors and they are cut off completely.

So we do feel that the airports privately owned that are for public use, they are an important part of our overall national aviation system. They provide potential, they pay taxes in their local community, and they certainly should be eligible for Federal aid under proper conditions. And as I see the conditions, they would be somewhat similar to the sponsor's assurance agreement that Federal aid is now given, they would have to guarantee to keep the airports open for a set number of years and available to the public, say, 10 years or 20 years, and in return they could receive some Federal aid. And with those airports, the size of them, a little Federal aid goes a long way and it could do wonders to enhance our overall national airport system throughout the country. I should not use those words, national airport system, because that has really been a restriction on the advancement of airports under this program in the many years that it has been running.

Thank you

Mr. **Filler**. Mr. Moore, you were talking about the joint use problem before.

Can you tell us how many existing joint use facilities are in operation today?

Mr. **Moore**. Just a moment.

We do not have that information readily available now.

Mr. **Filler**. Thank you.

Under the existing law, DOD was supposed to advise the Secretary of Transportation which of these airports were, in fact, amenable to a joint use arrangement.

Have they, in fact, done so?

Mr. **Green**. There have been a few cases where an approach was made to the military, but there is such reluctance on the part of the military in this area that I think we are wasting our time.

The problem is each one sees it from his own side. That is the reason that we have suggested putting some money into this bill for funded studies by the Department of Transportation in cooperation with the Department of Defense. But the chances of it happening under present legislation for 10 years, it just has not worked.

Mr. **Filler**. Mr. Kayne, do you have any comment?

Mr. **Kayne**. I would like to add to that.

If you look at the FAA's airport traffic statistics for airports where they have control towers, you will find that more than 400 airports in the United States, sole airports, almost everyone without fail has a certain number of military operations.

Now, the military can operate quite happily on airports where the civil side is the proprietor and they do this all over the United States. There are Air National Guard and the Navy Reserve operations on many civil airports. No problem. They are all a controlled operation with the control tower controlling everyone. Yet, if we turned around and put the Department of Defense as a proprietor, right away some big bugaboo jumps up and we have a situation where nothing is compatible or safe. That needs to have a hard look at it, particularly from the value of what the taxpayer gets for his dollars.

We put tax dollars in the military fields and the civil fields. The military sometimes will not consider civil use until, all of a sudden, their military use evaporates, then we have to fight the environmentalists and everyone else to capture the field as a civilian field. If it had been joint use all along, we would have better use of the tax dollars, we would keep an airport or airfield in the inventory so that it was there in case of emergency. The military could capture it at any time or have exclusive use if a war came up, but we would have a going airport.

As it is now, they disappear and then we fight like—you know what, to try to save them or get them back. Hamilton Field, at the moment, in California, is one that is in this category.

Mr. **Filler**. Thank you very much, gentlemen.

No further questions.

Mr. **Fary**. Counsel, do you have a question you want to ask?

Mr. HEYMSFELD. Thank you, Mr. Chairman.

On the issue of State control of funding for general aviation, it has been suggested to the committee and the staff that the positions of trade associations are not necessarily representative of the positions of their membership.

I wonder if the trade associations represented on the panel could tell us what efforts they have made to determine whether the positions that they are taking today reflect the views of their members?

Mr. MOORE. I feel that we in GAMA can say that our position reflects the position of our membership and we have polled them on this issue.

Mr. HEYMSFELD. Is there some survey result or polling results?

Mr. MOORE. No, we cannot provide any polling results.

Mr. COOKE. We have not polled our members on this particular subject, but we would be delighted to do so if this committee feels it is necessary.

Mr. HEYMSFELD. I would not say it is necessary. If it could be done quickly and it is not unduly expensive, I think it is useful to this committee.

Mr. COOKE. I could also provide to the committee correspondence that resulted from the Levin amendment in the Senate, both from our members to individual Senators and correspondence from Senators in return, if that would be any help to you.

Mr. HEYMSFELD. I think that would be helpful.

Mr. KAYNE. For AOPA we have the most difficult problem because of the size of our membership, just about a quarter of a million members. So you do not lightly undertake a poll on any particular question because the cost of it is outrageous today with the price of postage. So we have general procedures, we do some selective polls of all members, we have a number of publications that are provided to our members where we outline issues, current problems, and get information back. And we also have a further—you might say watchdog procedure on what our staff is doing and our members nominally have the choice every year of giving us, you might say their proxy to represent them on aviation matters.

Every year they renew their dues. We have no long-term running membership, so every year each of our members, in effect, votes whether he thinks we are representing him properly or not by paying his dues or not paying them. I think it is pretty obvious if we do not reflect the wishes of our members, they are not going to renew. And pretty soon our whole staff is out of a job.

But with regard to the particular State thing, this, I guess you could take any question and ask it of our 245,000 members, and you are going to get so many on one side of the fence and so many on the other side of the fence. It is just like the constituents of our Congressmen. You have to take the best average of all answers that you get, and the feeling that we get, the telephone calls, we answer thousands of pieces of correspondence a day. I think we are fairly representing the views of our members.

I would not for a moment try to delude you that you can go out in our membership and find people who think the opposite way. We realize that. But we try to represent the majority and their views, and we sound them out in various ways, including some polls.

I hope that is satisfactory.

Mr. **Heymsfeld**. Thank you very much.

I have no further questions.

Mr. **Fary**. Thank you, gentlemen, very much.

That will conclude your testimony.

My good friend, James Abdnor, will introduce the panel of Monte Schneider, director, Division of Aeronautics, Department of Transportation, State of South Dakota.

Mr. **Abdnor**. Thank you, Mr. Chairman.

Back in South Dakota, we are proud of the performance that our director of aeronautics does. He is also the president of the National Association of State Aviation Officials, and he speaks for himself. He is here with a panel of his people, and I guess I should call on Monte Schneider himself to introduce the participants here with your panel.

Mr. **Fary**. Thank You, Jim. Gentlemen, before we proceed, I will enter your prepared statements in the record at this point.

[Statements referred to follows:]

STATEMENT OF MONTE R. SCHNEIDER, DIRECTOR, DIVISION OF AERONAUTICS, SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION, PRESIDENT, NASAO

Thank you Mr. Chairman and members of the committee, I am Monte R. Schneider, Director of the Division of Aeronautics, South Dakota Department of Transportation. I appear here today as president of the National Association of State Aviation Officials. With me are Mr. Willard Plentl, Jr., Director of Aviation for the North Carolina Department of Transportation, who is a Regional Vice President of NASAO and a member of the Board of Directors, and Joseph G. Mason, Executive Vice President of the Association in charge of our Washington Office.

The National Association of State Aviation Officials represents the aviation interests of 48 states and Puerto Rico. Our members are state government officials, charged by the individual laws and statutes of their states with promoting aviation safety and developing the aviation resources of their individual states. As a national organization, NASAO's only concern is promoting the public interest in aviation and transportation.

We thank the Committee for this opportunity to testify on your proposed Post-1980 federal aid to airports Bill, H.R. 6721. With one major exception, we are generally pleased with the Bill. We will address the exception later in our testimony. First, however, we would like to comment on some specific opportunities we see to further strengthen and refine a few provisions of H.R. 6721 as it was introduced.

We are pleased with the levels of funding in all categories that you have proposed. At the same time, we are sure the Committee realizes that the national needs are far greater than the funding proposals—possibly on the magnitude of ten times. However, as public officials ourselves, living daily with the present political and economic climates at the state level, we are cognizant of the pressure for restraint.

We also realize that there may be pressures on you to reduce the funding authorizations you have proposed. But considering that the total funding for the National Airports and Airways System for a full year is less than the monthly Federal payroll in the metropolitan Washington, DC area, we hope you will stand firm and prevail against those who might consider aviation's needed dollars a "carefree" cut.

FEDERAL SHARE

Our first suggestion for a modification in a provision of H.R. 6721 is aimed at helping to stretch the available Federal dollars farther. It concerns the provision in section 9(a) of the Bill for a flat 90 percent as the Federal share of allowable project costs. We recommend that rather than the flat rate for the Federal share, the proviso be for "up to" a maximum percentage. And we think 80 percent is a better maximum for most airport development projects. One typical example will demonstrate why:

We have a situation in my own state that should demonstrate why we feel the wording should be "up to" whatever maximum is set:

We had three major airport projects planned for South Dakota on the basis of the former 80 percent Fedeal share. At Buffalo, we planned to build a basic utility airport on the site of the existing general aviation airport. At Chamberlain we have started construction on another completely new airport. We also planned some major reconstruction at the Murdo Airport. And we had anticipated front-ending land acquisition for the airport at Belle Fourche.

With the 90 percent Federal share now in force, there are not enough Federal dollars for all of this. We have scrapped the project for Buffalo completely, and abandoned the plan for land acquisition at Belle Fourche. At Chamberlain and Murdo, we have cut our plans back to bare bones construction knowing full well that when we do move to complete the airports at some time in the future, we will pay a severe penalty in costs because of the inflation that will have taken place in the meantime.

If the flexibility were in the ADAP ratio to allow up to 90 percent, the three projects could be handled at 80 percent each with the state helping the local sponsor to make up the difference. This is a common situation nationally, and is the kind of federal-state-local partnership that is possible with the State involvement in the airport program. It is why NASAO has consistently recommended that the Federal share be stated as "up to" a maximum—and preferably 80 percent.

At the same time, we do recognize the fears—real or imagined—expressed by some airport interests. As we understand it, they feel there is a risk that the FAA could use the flexibility feature to either coerce or punish an airport by arbitrarily reducing the percentage allowed for a given project ro type of project. They also feel it would introduce uncertainties into planning if there was no fixed percentage for the Federal share.

We believe these fears could be settled with the addition of a simple clause giving the sponsor the option of accepting a smaller share where sufficient local and/or state funds are available. If it is the sponsor's option, rather than the FAA's, many states are willing and able to use their funds to increase the amount of the dollars available for airport development projects. With the known needs we have, providing this flexibility to leverage Federal dollars can only benefit the system.

AID TO PRIVATE AIRPORTS

A second feature in H.R. 6721 we feel should be modified concerns the provisions for aid to private airports. We agree completely with your provision for providing assistance to privately owned public use airports. We feel, however, that in addition to aiding such airports designated as relivers, the eligibility should be broadened to include those private airports already identified in the Secretary's January, 1978, report to Congress as being in danger of closing within the next 8 to 9 years. Although some of these will come under eligibility as relivers, all of them represent system capacity that could only be replaced at many times the cost of keeping them in the system in the first place. This will, we believe, require new language in the Bill.

CONSOLIDATE IMPROVEMENT PLANS/STATE CONSULTATION

As we believe the states were the first to suggest that spending for airport development be based on the use of consolidated improvement plans and annual expenditure programs, we are, of course, pleased to see these provisions in the Bill. We do believe, however, that development of such plans must include some system for prioritizing the elements to be included, and we believe one single system should be developed for national application if we are to have uniformity in the process of meeting the needs of the system on a planned basis.

The various states are the only organizations with experience in developing and applying such prioritizing systems—developed, usually, in conjunction with determining expenditures of their past state apportionment funds. We suggest, therefore, that the Congress include a specific requirement for the FAA to consult with the states in working out the details of consolidated improvement planning and annual expenditure programming. The states have the expertise and the willingness to contribute their knowledge gained by several years' experience. We believe a more practical and immediately useful system can result.

Such a provision would be entirely consistent with ther precedent established in the Airline Deregulation Act of 1978. In that Act, the Congress mandated that the CAB consult with the states in implementing ten specific activities of the Small Communities Air Service section. The relationship that has been established between the States and the CAB is working well for both parties at this time. We believe a similar relationship can be developed between the states and the FAA in development of procedures and methods related to Consolidated Improvement Planning.

GROUND ACCESS ELIGIBILITY

We commend the authors of H.R. 6721 for the emphasis placed on encouraging and promoting the development of transportation systems embracing various modes of transportation. The immediate need for this shows up quite dramaticaly in the ground access problems at many of our larger air carrier airports. Currently 15 of the top 20 airports, representing 56 percent of total air carrier enplanements, are congested as the airport/urban interface. This congestion, which is the limiting constraint on the use of airport capacity, is often airport specific and occurs most frequently on highways immediately adjacent to the airport boundary.

We recommend, therefore, that ADAP eligibility be broadened to include the improvement of ground access to airports where the useful airside capacity of the airport is significantly reduced by constraints on the ground access system. Such improvements, either on or off airport property, might include connections to existing regional public transportation systems; increases in highway capacity to accommodate air travelers; and construction or improvements or interchanges and ramps to provide direct access from a highway system to the airport roadways.

As a control on the use of funds for such purposes, we suggest that an airport seeking to qualify a ground access project be required to show, by traffic count, that at least 25 percent of the concerned traffic is airport related. Funding should then be allowed in the same ratio as the airport traffic is to the total traffic—i.e., if 40 percent of the traffic in a given area is airport related, an access improvement project would be eligible for 40 percent funding as a Federal share from ADAP funds.

This, we believe, is consistent with the policy statement on transportation planning in H.R. 6721, and the intent demonstrated with your inclusion of specific planning funds. The added eligibility of airport access for funding will help bridge the present gap between planning and construction.

STATE ADMINISTRATIVE ROLE

NASAO is, of course, disappointed that H.R. 6721 does not include a provision for the states to administer ADAP funds for at least the smaller air carrier and general aviation airports.

We feel the Congress has been misinformed and even mislead on both the consequences to be expected with a state administrative role, and the degree of opposition to it by those qualified to make judgments as to its value.

We have supplied the Committee Staff, and legislative aides to every member of this subcommittee, evidence that responsible spokesmen for at east 269 airports in just 17 states say they favor a state role to some degree—most of them stating unequivocally that they would prefer to have their airport funds administered by the state. This was 91.8 percent of all the survey respondents in those states. And the Committee should note that these were primarily the operators of the small air carrier and general aviation airports being proposed for state administration.

We have also supplied you with an analysis of 898 airport projects, including planning grants, completed in 1978. This shows that nine out of ten of the projects had both state and FAA involvement—clear cut duplications of administrative efforts. There is not now, and never has been, any risk of creating "50 little FAAs". Both the Administration proposal for a state role, and the proposal we have made in past hearings, call for eliminating the "BIG FAA" in the smaller airport projects that would be involved.

Further, the allegation that it would be a "shotgun marriage" between the states and the airports, simply is not true. The proposal is, and always has been, that participation be voluntary on the part of both the state and the individual airports within the states.

Other charges and claims opposing a state role have, we believe, been demonstrated as equally specious in past testimony to this committee. Specific materials refuting them have been provided both the Committee Staff and your individual aides.

But leaving the claims and counterclaims aside, a new factor is now showing up in the ADAP program that makes it even more urgent that you reconsider a state administrative role.

The fact is that the present funding delivery system is breaking down.

The ADAP program has grown over the last few years both in size and complexity. At the same time, the FAA's capability to handle it has been reduced by budget constraints and personnel shortages. We believe the FAA will admit to you, as they have told us, that the ADAP program has swamped their resources for administering it.

They are already being forced to delegate the engineering details of airport projects by having various elements of the program certified by the sponsor, rather than reviewing and approving them in advance. Other paperwork processes are now slowed to the point where many projects must be reestimated at some time in the process to catch up with the effects of inflation on the original cost estimates.

This breaking down of the present delivery system has not been mentioned by the association staff people who have appeared before you opposing a state role. As they, and in many cases, their members, have no direct involvement or responsibility for airport development, they simply have no knowledge of the day-to-day problems involved.

Providing a state administrative role would take much of the administrative burden off the already over-burdened FAA staff. It would also provide a greater degree of flexibility in the delivery system to expedite movement of the available funds to where they are needed. Therefore, we still believe that allowing qualified states to assume some of the administrative burdens would expedite development of our airport system, and would be a beneficial and money-saving step in the ADAP program.

However, we also realize that the political process often involves a large measure of compromise. We will, therefore, propose a compromise program for your consideration that should both satisfy those fearful of change and, at the same time, provide a degree of flexibility now missing in the funding delivery system.

As would a direct state administrative role, this compromise proposal is aimed at providing immediate benefits to the smaller air carrier and general aviation airports that have been neglected in the past federal funding programs.

At this time, I will ask Mr. Will Plentl, whose North Carolina Department of Transportation originated the proposal, to present it to you.

STATEMENT OF WILLARD G. PLENTL, JR., DIRECTOR OF AVIATION, NORTH CAROLINA DEPARTMENT OF TRANSPORTATION, REGIONAL VICE PRESIDENT; MEMBER BOARD OF DIRECTORS, NASAO

The program I will explain did originate in our North Carolina DOT. However, we have since had the opportunity to discuss it in detail, and add some refinements to it, during our annual NASAO Spring Conference where we had the benefit of discussions with representatives of twenty-two states.[1] In addition, Mr. Mason has discussed it individually with several members of this Committee, and it has been discussed with Mr. Hefner and members of his staff who have encouraged us to present it as background to a possible amendment to be offered by Mr. Hefner.

Basically, it is a proposal for a program to be in addition to any post-1980 ADAP. It would allow limited trust fund allocations to the states on the basis of equal commitment of state funds for development of the State Airport System.

It does, we believe, answer all objections that have been voiced in the past against a state role. For example:

No new level of bureaucracy would be created.—Only those states with state programs would be able to participate, and they could participate only to the extent of the programs they already have and are paying for at the state level.

No change to the existing system.—The individual states would continue to administer the requirements and procedures of their present state funding programs. Airports would continue to use the same procedures they now do to obtain state funds.

No need to increase state staffing or impose new taxes for administration.—State airport systems need at least 8 to 10 times the total funding they now receive from all sources, or under any proposals for ADAP funding so far. Doubling the funds at the state level would merely require doubling the rate of program commitment. This should not require more people or increased administrative costs.

We believe the matching allocation would be a "no frills" program. Capital improvement items already specified for state aid eligibility would be eligible. At the same time, to guarantee that there would not be a substitution of federal dollars for state dollars, a restriction can be put on the Matching Allocation to designate that the funds must be spent on State/Local projects only, and cannot be used on other projects that already have ADAP money in them.

In outline, we see the program shaping up as follows:

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[1] Arkansas, Florida, Illinois, Kansas, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New York, North Carolina, Oregon, South Carolina, South Dakota, Texas, Virginia, West Virginia, Wisconsin.

Annual trust fund allocations to a state based on matching the state airport development appropriation for that year not to exceed $5 million per state per year.

Airports and development contained in the State Airport System Plan and a multi-year publicly coordinated capital improvement program, and which are eligible for aid under state funding rules and procedures, may be funded under the program. The federal funds in any project should not exceed the maximum percentage contained in the post-1980 ADAP bill for the particular airport and development item.

Allocated trust funds not to be used for state administrative costs.

All development on NASP airports would meet federal airport configuration, design, and construction standards unless applicable state standards have been developed and approved by FAA.

Allocated trust funds not to be used to match other federal funds.

Federal and State capital improvement programs shall be jointly coordinated annually at the beginning of each appropriate fiscal year.

The advantages and benefits to the national airport system are many.

For example:

It would put more airport development funds into areas and airports that cannot now handle the competition for discretionary funds from Washington.

It would encourage increased non-federal participation on the part of the states. Airport development funds in 22 states now come exclusively from state general revenues. The opportunity to obtain Trust Fund allocations would encourage state legislatures to continue their airport development funding, and possibly, in some cases, increase it.

It would provide flexibility and responsiveness to local needs beyond the limitations inherent in federal programs, with the bulk of the decision making being at the state and local level.

The requirement for annual coordination would improve the interrelationship between state and federal priorities and airport development programs, and would also prevent duplication of effort and expenditures. It would not, in any way, constitute a "free ride" for any state. A matching program of Trust Fund allocations would only be on an earned basis.

There will be no increases in "red tape" or complex procedures for either the states or the airport sponsors; there will be no change in the way states and airports do business with one another.

It has the potential to provide for the "best of all worlds" in that the programs funded would reflect combined national, state, and local priorities and needs.

As to the additional costs of such a program, we can only give you a "ballpark" estimate at this time. Our Washington Office is surveying the states to obtain their current expenditures on capital improvement programs. On the basis of initial returns to date, we can only estimate somewhere between $160 million and $180 million. Within a week or so, we hope to have enough returns that we could provide you with a reasonably reliable projection of the total required.

We believe this program is a sound one, Mr. Chairman, and that it can make a strong contribution to the general aviation and smaller air carrier airport system where the leadership in airport development has always been in the hands of the states. It is a program that offers a new approach to old problems, with the long-term potential for reducing the need for Federal funding because of the equal commitment of funds from the states.

We request the support of the Committee in adding it to H.R. 6721.

That concludes our prepared presentation, Mr. Chairman. We will be glad to answer any questions you may have.

Statement of the New York State Department of Transportation, John K. Mladinov, Assistant Commissioner for Planning and Development

Mr. Chairman and members of the House Aviation Subcommittee, I congratulate you for their efforts to develop legislation which represents a realistic and responsible approach to the continued development of our national system of airports and airways.

We are particularly gratified that the Subcommittee has recognized the importance of the nation's large air carrier airports to the national airport system. To remove these airports from Federal funding eligibility would result in an inability to assure the continued existence of adequate airports and airport facilities that meet reasonable physical standards at the nation's largest hubs.

It has been suggested that these airports are large enough to be self-supporting and that the lack of Federal funds could be made up through increased user charges or passenger head taxes. We do not feel that these alternatives are desirable or realistic. As a result of deregulation and the designation of more international gateways, most of these airports are competing with one another in trying to retain existing air carrier services or to attract new carriers. They are not in a good negotiating position in attempting to increase air carrier fees, particularly of the magnitude needed to support major airport improvements in the absence of federal funds. Also, at this time a rapidly increasing fuel costs, and otehr rapidly inflating costs, that have severely impacted air carrier profitability, it is questionable whether any increased revenues can be expected to be derived from the carriers. It would be a poor public policy to make airport facilities and safety subject to the unpredictability of airline profitability in times that will undoubtedly continue to be difficult.

Air passenger head taxes could conceivably provide a revenue source of sufficient magnitude; however, the collection of such taxes imposes a burden on the air carriers and the air traveler, adds to congestion in the airport terminals and creates further delays in passenger processing.

We are also mindful of events during the 1960's, when Federal funding for airport development was at a relatively low level and such items as airport terminals were not eligible for federal funds. During that time even the largest airports had great difficulty in funding facility improvements to increase airport capacity to meet then-current demand, to say nothing of improvements to accommodate future needs. This prompted the revisions to the ADAP legislation making terminals and other facilities eligible for federal funds.

It is also very important to note that a Federal airport funding program, such as that contained in H.R. 6721, provides a stablizing influence for these airports, in effect ensuring the airport operator, aviation users and the traveling public that it will be possible for airport facilities to be made available in a timely manner to meet future needs.

We believe that our views and concerns on this matter are widely shared throughout the country by other state and local airport officials.

I would now like to briefly address several items specifically related to H.R. 6721, and noted in the hearing announcement, which are of particular concern to the State of New York.

MATCHING LANDSIDE AND AIRSIDE AIRPORT CAPACITY

Since 1970, ADAP funds have been used to make many of the necessary improvements to runways, taxiways, terminals, and other on-airport facilities required to provide the national airport capacity to service projected air travel demands in a safe and efficient manner. The vast construction program funded by ADAP has, to a large extent, successfully provided the required airside airport capacity.

However, almost without exception, the air traveller must depend upon another mode of travel at each end of his air trip to get from his trip origin to his ultimate destination. In many urban areas the air traveller is finding it increasingly difficult to get to and from the airport by automobile or public transportation (generally over the highway network). In many cases the limited land-side capacity prevents an airport from being able to use fully its available air-side capacity that has been built with ADAP funds.

Currently, 15 of the top 20 airports, representing 56 percent of total enplanements at all airports, are congested at the airport/urban interface. This congestion, which limits full use of the available airport capacity, is often airport specific and occurs most frequently on highways immediately adjacent to the airport boundary. This problem will increase as the introduction of wide-bodied jets will vastly increase airside capacity, unless there are corresponding improvements to airport access.

In New York City this problem is evident at both J. F. Kennedy and LaGuardia Airports. In 1979, JFK handled 27 million passengers. The highway capacity immediately adjacent to the airport is 23 million; the result is congestion, lengthy delays and significant added costs to air carriers and air travellers alike, not to speak of air quality and energy consumption consequences. Since the forecast demand for JFK for 1995 is 36 million passengers, without planned improvements to the highway system providing access to the airport, the airport's capacity will not be fully useable and congestion will substantially worsen. Similar conditions exist in connection with LaGuardia Airport where the effectiveness of the Federal investment in airside capacity is also being constrained by inadequate landside facilities.

To assure a full return on the federal investment made in the airports, we propose that $75 million per year of discretionary funds be earmarked for a grant program for the improvement of ground access to airports where the useful air-side capacity of the airport is being significantly reduced by the constraints of the ground access system. Such improvements, either on or off airport property, might include connections to existing regional public transportation systems, increases in highway capacity needed to accommodate air travellers, and construction or improvements of interchanges and ramps providing direct access from the present highway system to the airport's internal roadways.

Another type of ground access problem which might be addressed by such a program is at MacArthur Airport on Long Island. For several years the County, the Metropolitan Transportation Authority and the State have been planning the construction of a multi-modal Transportation Center at the Airport, which is adjacent to both the Long Island Railroad and the Long Island Expressway. Such a Transportation Center could provide an ideal location for a modern facility for transfer and interconnection of air, rail, bus and auto travellers, without the present cumbersome need for use of an intermediate transportation mode.

SLOT PROBLEM

New York State is also concerned about a quite different aspect of airport access, the "slot" problem, especially as this problem relates to the essential air transportation determinations which were recently released by the CAB for our thirteen eligible points. While we recognize that slot allocation is not an ADAP problem per se, we were encouraged by the announcement for this hearing that you want to consider the implications of the slot problem on ADAP recipients and air travelers in general. Our concern is that while the essential air transportation determinations guarantee each of our eligible points access to a hub airport, no provision has been made for assuring that slots at the hub airports are made available to the carriers that are to provide these essential air services. This problem is especially critical at the New York hub airports, Kennedy International and LaGuardia, since the incumbent carriers at these airports that eliminate service to our eligible points, retain the slots that had been used in that service.

Neither the present system of allocating slots at these two airports, the airline committee system, or the recent proposal developed by a consultant to the CAB for a sealed-bid auction, are adequate to insure the well-timed and well-spaced flights which the CAB determinations agree are required to provide reasonable access to our nation's air transportation system. We would like to see some mechanism developed which will insure that such access is, indeed, made available, perhaps including some type of community participation.

STATE AND LOCAL ROLES

H.R. 6721 contains several provisions which we feel will be instrumental in tying airport development more closely to airport system planning and ensuring that airport improvements are coordinated with other transportation programs and comprehensive planning and development.

However, we suggest that this coordination could be strengthened even more by adding a provision which would require that all facility development at airports in urbanized areas be included in the Transportation Improvement Programs which are prepared by the Metropolitan Planning Organizations.

As you are aware, legislation now requires that all federally funded highway and transit improvement projects in urbanized areas must be identified in each area's Transportation Improvement Program and approved by the Metropolitan Planning Organization before Federal funds can be expended for the projects. This process has been very effective in ensuring that transportation improvements are properly considered and coordinated with one another and with other urban area development. It also ensures the ability to coordinate the use of available funds towards a unified purpose. In New York State, the Metropolitan Planning Organizations are composed of the appropriate local elected officials and the providers of public transportation services, as well as the State. These public officials are directly responsible, under State and local laws as well as federal statutes, for project financing and other implementation actions. This State representation also ensures that local transportation improvements are properly coordinated with State-level planning and development.

With regard to State involvement, I would at this time like to mention that we were disappointed to see that H.R. 6721 did not contain a provision for a State role in administering the small airports program of ADAP. As a public servant, like yourself, I find it difficult to understand why a strong State role was not included, when in 46 States there are both Federal and State personnel running airport development programs. Substantial State funds are being directed toward airport improvement programs. The obvious advantages of coordinated use of the federal ADAP and State funds, and their unified administration, management and oversight, should be persuasive.

Contrary to what you have been told by the aviation industry groups, a State role provision in this bill would not create 50 additional FAA's. There are already three levels of government active in airport development: Federal, State and local government.

Over the last 10 years, nearly 9 out of 10 airport projects nationally have had some State funding. A survey was conducted by NASAO to find out who was spending money on airport development during 1978. Of the 898 projects reported; 391 (43.5 percent) were funded with State and Local funds, and no Federal funds; and an additional 368 (40.9 percent) were funded by all three: State, Local and Federal. Only 66 projects (7.3 percent) wer funded on a Federal-Local basis with no State funding. Almost as many projects—49 (5.4 percent) were funded with only State dollars; and 24 projects (2.3 percent) were funded with only Local dollars. The important fact from this survey is that FAA was involved in only 51 of the projects while the States were involved in 90 percent of the projects.

While others may find fault with this survey, the point is most clear that there is a lot of airport development, as part of the national airport system, going on outside the administrative control of the FAA. Further, it's clear that the States have, in being, organizations that are already administering airport development programs. A provision in this bill for optional Statewide administration of the program would go a long way to reduce duplication of effort and not create any new agencies for the taxpayers to fund; in fact, more thorough evaluation of projects well might be possible, and a more efficient use made of federal airport development staff, particularly for the smaller airports and airport projects, by greater reliance on program management of small airport ADAP projects by the State. The other modal administrations of USDOT have found that to be the case in the administration of their programs.

In New York State, we provide 75 percent of the matching non-federal share and have had an active airport development program since 1967. The State Legislature during this period has appropriated about $225,000,000 of State dollars for airport development purposes. Needless to say, we have to have a group of aviation planning, project development construction supervision and contract management experts to administer such a State financed program. If you feel that we have shed any new light on this subject or wish to reconsider a State role provision, we would be happy to discuss it further with you at your convenience.

Overall we feel that your committee has drafted forward-looking legislation which should go far in meeting avaiation demands for the 1980's. However, we believe that our proposals could further strengthen that legislation, to the benefit of all those who are dependent on the national airport system.

Thank you for this opportunity to present our viewpoints on this important legislation.

Mr. **Fary**. Please proceed.

TESTIMONY OF MONTE R. SCHNEIDER, DIRECTOR, DIVISION OF AERONAUTICS, DEPARTMENT OF TRANSPORTATION, STATE OF SOUTH DAKOTA, PRESIDENT, NATIONAL ASSOCIATION OF STATE AVIATION OFFICIALS, ACCOMPANIED BY WILLARD G. PLENTL, JR., DIRECTOR, AVIATION, DIVISION OF AERONAUTICS, DEPARTMENT OF TRANSPORTATION, STATE OF NORTH CAROLINA; MEMBER OF BOARD OF NASAO; JOSEPH G. MASON, EXECUTIVE VICE PRESIDENT, NASAO; AND JOHN K. MLADINOV, ASSISTANT COMMISSIONER FOR PLANNING AND DEVELOPMENT, NEW YORK STATE DEPARTMENT OF TRANSPORTATION

Mr. **Schneider**. Thank you, Congressman Abdnor. I appreciate you coming over and introducing the panel that we have before the committee this afternoon.

Mr. Chairman, I have with me Mr. Willard Plentl, director of aviation for the North Carolina Department of Transportation, and a regional vice president for NASAO, and Joe Mason, executive vice President of NASAD in Washington.

I guess John will be introduced later, as far as our panel is concerned, is that right?

Mr. **Fary**. Without objection.

Mr. **Schneider**. We thank the committee for this opportunity to testify on H.R. 6721.

First, we would like to comment on a few provisions of H.R. 6721.

We are pleased with the levels of funding in all categories that you have proposed. We realize that there will be many pressures on you to reduce the proposed funding authorizations. We hope you will stand firm against those who might consider aviation's needed dollars as a care-free cut.

Our first suggestion for a modification in a provision of H.R. 6721 is aimed at helping to stretch the available Federal dollars further. It concerns the provision in section 9(a) of the bill for a flat 90 percent as the Federal share of allowable project costs. We recommend that rather than the flat rate for the Federal share, the proviso be for up to a maximum percentage. We think 80 percent is a better maximum for most airport development projects.

In our testimony we have given an example to demonstrate this reasoning.

At the same time, we do recognize the fears, real or imagined, expressed by some airport interests. We believe these fears could be settled with the addition of a simple clause giving the sponsor the option of accepting a smaller share where sufficient local and/or State funds are available. If it is the sponsor's option, rather than the FAA's, many States are willing and able to use their funds to increase the amount of the dollars available for airport development projects.

With the known needs we have, providing this flexibility to leverage Federal dollars can only benefit the system.

A second feature in H.R. 6721 we feel should be modified concerns the provisions for aid to private airports. We agree completely with the idea, but we feel that in addition to the private airports designated as relievers, the eligibility should be broadened to include those private airports already identified of being in danger of closing within the next 8 to 9 years. Although some of these will come under eligibility as relievers, all of them represent system capacity that could only be replaced at many times the cost of keeping them in the system in the first place.

We are also pleased to see provisions in the bill for the use of consolidated improvement plans and annual expenditures programs. We do believe, however, that development of such plans must include some system for prioritizing the elements to be included.

The various States are the only organizations with experience in developing and applying such prioritizing systems, developed usually in conjunction with determining expenditures of their past State apportionment funds.

We suggest, therefore, that the Congress include a specific requirement for the FAA to consult with the States in working out the details of consolidated improvement planning and annual expenditure programing. The States have the expertise, and the willingness to contribute their knowledge, gained by several years of experience.

We believe a more practical and immediately useful system can result.

We commend the authors of H.R. 6721 for the emphasis placed on encouraging and promoting the development of transportation systems embracing various modes of transportation. The immediate need for this shows up quite dramatically in the ground access problems at many of our larger air carrier airports.

Mr. Mladinov, from New York, will address this in greater detail.

We do recommend that ADAP eligibility be broadened to include the improvements of ground access to airports, where the useful airside capacity of the airport is significantly reduced by constraints on the ground access system. We propose an approach to this.

NASAO is, of course, disappointed that H.R. 6721 does not include a provision for the States to administer ADAP funds for at least the smaller air carrier and general aviation airports.

We feel that the Congress has been misinformed, and even mislead on both the consequences to be expected with a State administrative role, and the degree of opposition to it by those qualified to make judgments as to its value.

We have supplied the committee with evidence that responsible spokesmen for at least 269 airports, in just 17 States, say they favor a State role to some degree, most of them stating unequivocally that they would prefer to have their airport funds administered by the State.

We have also supplied you with an analysis of 898 airport projects, including planning grants, completed in 1978. This shows that 9 out of 10 of the projects had both State and FAA involvement—clear-cut duplications of administrative efforts.

Both the administration proposal for a State role, and the proposal we have made in past hearings, call for eliminating the big FAA in the smaller airports projects that would be involved.

Further, the proposal, is that participation be voluntary on the part of both the State and the individual airports within the State. No shotgun marriage would take place. But a new factor now is showing up in the ADAP program: The fact is that the present funding delivery system is breaking down. The ADAP program has grown over the last few years, both in size and complexity. At the same time, the FAA's capability to handle it has been reduced by budget constraints and personnel shortages. We believe the FAA will admit to you, as they have to us, that the ADAP program has swamped their resources for administering it.

Providing a State administrative role would take much of the administrative burden off the already overburdened FAA staff. It would also provide a greater degree of flexibility in the delivery system to expedite movement of the available funds to where they are needed.

However, we also realize that the political process often involves a large measure of compromise. We will, therefore, propose a compromise program for your consideration that should both satisfy those fearful of change, and at the same time, provide a degree of flexibility now missing in the funding delivery system.

At this time, I would like to ask Mr. Will Plentl, Jr., from North Carolina, who originated the proposal, to present it to you.

Mr. FARY. Mr. Plentl, you may proceed.

Mr. PLENTL. Thank you, sir. Thank you, Monte.

The program I will explain did originate in our North Carolina DOT. However, we have since had the opportunity to discuss it in detail and add some refinements to it during our annual NASAO spring conference where we had the benefit of discussions with representatives of 22 States.

In addition, it has been recently shared with the North Carolina airport sponsors and all other State aviation organizations. During the development of the proposal, we worked with Mr. Hefner and members of his staff who have encouraged us to present it as background as a possible amendment to be offered by Mr. Hefner in markup.

Basically, it a proposal for a new program in addition to any post-1980 ADAP. It would allow limited trust fund allocations to the States on the basis of equal commitment of State funds for development of the State airport system.

It does, we believe, answer all objections that have been voiced in the past against a State role. For example:

Only those States with State programs would be able to participate, and they could participate only to the extent of the programs they already have and are paying for at the State level. Obviously, no new bureaucracies would be created. The existing system would not be changed.

The individual States would continue to administer the requirements and procedures of their present State funding programs. Airports would continue to use the same procedures they now do to obtain State funds and with which they are fully familiar.

State airport systems need at least 8 to 10 times the total funding they now receive from all sources, or under any proposals for ADAP funding so far. Doubling the funds at the State level would merely require doubling the rate of program commitment. This should not require more people or increased administrative costs.

We believe the matching allocation would be a no frills program. Capital improvement items already specified for State aid eligibility would be eligible. At the same time, to guarantee that there would not be a substitution of Federal dollars for State dollars, a restriction can be put on the matching allocation to designate that the funds must be spent on State/local projects only, and cannot be used on other projects that already have ADAP money in them.

In outline, we see the program shaping up as follows:

Annual trust fund allocations to a State based on matching the State airport development appropriation for that year, not to exceed $5 million per State per year.

Airports and development contained in the State airport system plan and a multiyear publicly coordinated capital improvement program, and which are eligible for aid under the program. The Federal funds in any project should not exceed the maximum percentage contained in the post-1980 ADAP bill for the particular airport and development item.

Allocated trust funds not to be used for State administrative costs.

All development on NASP airports would meet Federal airport configuration, design and construction standards unless applicable State standards have been developed and approved by FAA.

Allocated trust funds not to be used to match other Federal funds.

Federal and State capital improvement programs shall be jointly coordinated annually at the beginning of each appropriate fiscal year.

The advantages and benefits to the national airport system are many. For example:

It would put more airport development funds into areas and airports that cannot now handle the competition for discretionary funds from Washington.

It would encourage increased non-Federal participation on the part of the States. Airport development funds in 22 States now come exclusively from State general revenues. The opportunity to obtain trust fund allocations would encourage State legislatures to continue their airport development funding and, possibly, in some cases increase it.

It would provide flexibility and responsiveness to local needs beyond the limitations inherent in Federal programs with the bulk of the decisionmaking being at the State and local level.

The requirement for annual coordination would improve the interrelationship between State and Federal priorities and airport development programs, and would also prevent duplication of effort and expenditures. It would not, in any way, constitute a free ride for any State. A matching program of trust fund allocations would only be on an earned basis.

There will be no increases in redtape or complex procedures for either the States or the airport sponsors. There will be no change in the way States and airports do business with one another.

It has the potential to provide for the best of all worlds in that the programs funded would reflect combined national, State and local priorities and needs.

As to the additional costs of such a program, we can only give you a ball park estimate at this time. Our Washington office is surveying the States to obtain their current expenditures on capital improvement programs. On the basis of initial returns to date, we can only estimate somewhere between $160 million and $180 million. Within a week or so, we hope to have enough returns that we could provide you with a reasonably reliable projection of the total required.

[The following was received for the record:]

STATE FUNDING FOR AIRPORT CAPITAL IMPROVEMENT PROJECTS, FISCAL YEAR 1980

[With Federal matching funds proposed]

	In millions	
	State expenditures	Matching funds proposed
Alabama	$0.625	$0.625
Alaska	6.0	[1] 5.0
Arizona	.587	.587
Arkansas	.588	.588
California	4.260	4.260
Colorado	NA	NA
Connecticut	.5	.5
Delaware	0	0

STATE FUNDING FOR AIRPORT CAPITAL IMPROVEMENT PROJECTS, FISCAL YEAR 1980—Continued

[With Federal matching funds proposed]

	In millions	
	State expenditures	Matching funds proposed
District of Columbia	0	0
Florida	4.201	4.201
Georgia	.650	.650
Hawaii	NA	[1] 5.0
Idaho	.5	.5
Illinois	7.0	[1] 5.0
Indiana	1.239	1.239
Iowa	1.024	1.024
Kansas	0	0
Kentucky	1.5	1.5
Louisiana	3.5	3.5
Maine	1.1	1.1
Maryland	.375	.375
Massachusetts	.138	.138
Michigan	2.182	2.182
Minnesota	6.2	[1] 5.0
Mississippi	.138	.138
Missouri	.2	.2
Montana	.3	.3
Nebraska	1.020	1.020
Nevada	NA	NA
New Hampshire	.467	.467
New Jersey	0	0
New Mexico	.280	.280
New York	2.4	2.4
North Carolina	7.0	[1] 5.0
North Dakota	1.672	1.672
Ohio	.5	.5
Oklahoma	.576	.576
Oregon	.150	.150
Pennsylvania	2.5	2.5
Rhode Island	0	0
South Carolina	5.799	[1] 5.0
South Dakota	.440	.440
Tennessee	1.863	1.863
Texas	1.0	1.0
Utah	.155	.155
Vermont	.057	.057
Virginia	1.2	1.2
Washington	.842	.842
West Virginia	1.302	1.302
Wisconsin	.821	.821
Wyoming	.775	.775
Total	73.626	71.627

[1] Maximum.

5-year recommended funding program [1]

[In millions of dollars]

1981	71.627
1982	78.789
1983	92.734
1984	99.225
1985	106.170
Total for 5 years	**448.545**

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[1] Basis: Increase 0.07 percent per year beginning 1982, plus 10 percent increase 1983 to allow for additional qualified State spending.

Mr. PLENTL. We believe this program is a sound one, Mr. Chairman, and that it can make a strong contribution to the general aviation and smaller air carrier airport system where the leadership in airport development has always been in the hands of the States. It is a program that offers a new approach to old problems, with the long-term potential for reducing the need for Federal funding because of the equal commitment of funds from the States.

We request the support of the committee in adding it to H.R. 6721.

That concludes our prepared presentation, Mr. Chairman. We will be glad to answer any questions you may have.

Mr. FARY. Mr. Mason?

Mr. MASON. I will hold for questions, sir.

Mr. FARY. All right, this concludes the presentations on behalf of the National Association of State Aviation Officials, NASAO.

Before going to the questions, we will also hear the testimony of Mr. John Mladinov, assistant commissioner of transportation of the State of New York.

Mr. MLADINOV. Thank you, Mr. Chairman. Commissioner Hennessy regrets his inability to be here today. He asked me to substitute for him.

New York State appreciates this opportunity to appear and to offer comments on just a few of the issues that we feel are important.

You have our prepared statement, but I would like to hit a few points.

Our first point is that we believe it is important and indeed essential that the ADAP program continue to provide funds for the large air carrier airports. We believe that without such funding, there will be an inability to assure the continued existence of airports and air facilities that meet reasonable safety and operating standards throughout the Nation. There would thereby be a significant gap in the Nation's air service system. While we believe the larger airports could to a varying degree replace at least some of the presently provided Federal funds, we believe their ability to do so will not be in balance with their particular needs for funds, nor would such revenue measures be desirable from the airline, the passenger, the airport operator, the air carrier standpoint, or from the national policy standpoint.

Another concern which we have, and one which is a growing one nationally, we believe, at the larger hubs in particular, is the necessity to have ground access capacity to airports that is reasonably matched and in balance with the airport enplanement capacity. Without such a balance, the vast investment in such major airports as LaGuardia and JFK in the case of New York State cannot be fully utilized. This will be to the detriment of the functioning of the Nation's air service system.

We believe that what is called for in order to assure that there will be some reasonable balance in the ability to use the major investments that have been made in the airports is for the ADAP legislation to earmark possibly $75 million annually of discretionary funds for a grant program for the improvement of ground access where such ground access capacity constraints exist, and limit the ability of the airport to function adequately.

In addition to JFK and LaGuardia, we also have a unique opportunity at MacArthur Airport on Long Island to provide a multimodal transportation center that would be an example nationwide. It would permit bringing together the airport terminal, Long Island Railroad, and Long Island Expressway, together with mass transit on the expressway to give them all access to that airport. This would be an ideal site to show how effectively the various modes can be integrated. The availability of discretionary funds would make such a project possible.

As to the slot problem, we believe the committee is rightfully concerned. We believe the present airline committee system at four major airports does not now provide the means to assure that the CAB essential air service determinations can be implemented in those cases where there is a slot problem. In our case, this particularly affects JFK and LaGuardia.

This inability to assure access to those airports in order to provide the essential air service means that it will prevent the provision of services for the small communities and by the commuter airlines.

We also believe that the sealed bid option that has been proposed by a consulting firm to FAA will not protect the smaller carriers by permitting them to compete equitably for slots. This may require an allocation of slots to small carriers that provide these services determined to be essential by the CAB so they can equitably compete with the larger carriers for slots, and so they can provide the services they are designated to provide.

Another point of concern is with regard to the State role in the ADAP program, as has been mentioned. In light of the already large State involvement and investment in the smaller airport program and the proven capability of the States to manage the program, we believe there should be an explicit delegation to the States of responsibility to manage this program for the smaller airports. This could function on the basis of an optional provision. It would make for far more efficient use of the limited Federal funds that are available than is now possible.

These are New York State's primary points of concern. The submitted statement addresses these in greater detail. I thank you.

Mr. FARY. Now for the questioning. Mr. Schneider, in your testimony you proposed that the Federal share be set up at up to 90 percent rather than the mandatory 90 percent in H.R. 6721. You suggest that a sponsor could be given the option of accepting an 80 percent rather than a 90 percent share.

Do you think that it would really be voluntary for the sponsor to accept the lower share when the demand for ADAP funds is greater than the supply? Wouldn't there be subtle pressure on sponsors to accept the Federal share of less than 90 percent?

Mr. SCHNEIDER. Mr. Fary, I believe that in our testimony we were saying that what we really want is the "up to" provision, but we want it to be voluntary on the part of the sponsors, because we do feel that there could be pressures and appreciate the concern of the sponsor that he could, in fact, be intimidated or coerced into accepting a project at a lower percentage. So we really think that it ought to be voluntary from the bottom up rather than from the top down. We had recommended this 80-percent figure, but we also want the flexibility and would recommend the flexibility be "up to" 80 percent.

The difference between the committee bill and our bill proposal was the ability for us to maximize larger total project costs with the lower Federal funding ratio.

Mr. **Fary**. In your testimony, Mr. Schneider, you suggested that there may be planning uncertainties if the Federal share is uncertain.

Could you elaborate on these planning difficulties and explain why you think they are overcome by your proposals?

Mr. **Schneider**. Is this in regard to the funding share, Mr. Chairman?

Mr. **Fary**. Yes.

Mr. **Schneider**. Well, the difficulty is you really have to work into an annual expenditure program, and you really want to have a set figure. Now, the sponsor, as he comes down looking at a multiyear program, needs to know where he fits into the Federal program, both in terms of eligibility, the dollars available, and also the percentage. He, at the same time, is faced with the situation where he has to look at his own local matching moneys 1 to 2 to 3 years in advance and plan ahead with some kind of a revenue picture on the local level to come up with those funds.

So if he knows that he can set at a certain funding level, then he has the ability to come up with the matching funds.

Mr. **Fary**. In your testimony, Mr. Schneider, you state that 268 airports in 17 States favor State administration of airport funds. You also state that these airports represent 91.8 percent of the survey respondents.

For the record, could you clarify whether this is 91.8 percent of the airports which returned survey forms, or 91.8 percent of the airports to which survey forms were sent? If the latter, could you tell us how many airports were contacted in your survey?

Mr. **Schneider**. I will let Mr. Mason answer that, if I could, Mr. Chairman, since he conducted the survey.

Mr. **Fary**. All right.

Mr. **Mason**. Actually, Mr. Fary, I did not conduct the survey; it was conducted independently by several of the States. I do not have the total number of survey forms they sent out, and in some of the states they were not formal surveys. They were collections of letters that had been sent to this committee, to various Senators, to the DOT, copies of these letters, supporting the State role or taking some issue with the State role. We took everything we had, the letters and those States that did formally survey their airports, and came up with 293 letters, I believe, of which 269 favored the State role.

Mr. **Fary**. All right, Mr. Schneider, one issue in State administration of funding is the possible conflict between a State's priorities and the priorities of the national aviation system. For example, there is now a national program to encourage development of reliever airports, but a particular State might not give high priority to development of relievers.

Do you think that this possible conflict would be a problem in authorizing an added State role in administering ADAP funds?

Mr. **Schneider**. I think if you have a direct conflict, yes, it would be a problem. But I would guess from my point of view the State system plan would recognize the private airports and should be compatible with the national system plan, so those interfaces should work themselves out. In most cases, a State airport system plan will pick up additional airports that are in the State interests and not necessarily in the national interest.

I really can't perceive, you know, an airport that would be cut out of the State system plan, but be in the national system plan. I think the two documents are really supposed to be—well, the national plan is supposed to be a meld of all of the State plans put together. So those airports should be one and the same with the State system plans going beyond the national plan, because the States have additional interests in some additional airports.

I really can't see one airport being excluded from the State plan.

Mr. **Mason**. Mr. Fary, I think it is also obvious that all the States do not have reliever airport problems. I believe in your own bill you are talking about 21 relievers that you want to address. But we have 50 States out there, so it's less than half the States that have a reliever program on an average.

So it could be that some State would not put a reliever airport at the top of their priority list, but it's simply because they don't have that problem. This is one of the reasons we believe that prioritizing should be done at least down at the State level so that it reflects the local needs and the local problems and not some mandatory schedule of events. Some States simply don't have those problems.

Mr. **Fary**. I thank you very much. Mr. Mladinov?

Mr. **Mladinov**. If I could speak to that issue, I might point out that in New York State the reverse is the case. We have been funding with 100 percent State funds reliever airport projects simply because there aren't enough Federal funds to cover those airport projects. And one of those projects in particular, at Stewart Field, is a massive one—a $19—million contract.

Mr. **Fary**. Well, Mr. Plentl, I would like to clarify a few points about your proposal for Federal matching funds when the state has put up ADAP money.

Do I understand that this proposal would be in addition to the funding programs already established in H.R. 6721?

Mr. **Plentl**. Yes, sir, that is the proposal.

Mr. **Fary**. Your proposal seems to contemplate that more money would be available to a State which provided State funding than would be available in a State in which local interests were willing to put up the same total amount.

Is my understanding correct, and, if so, what will be the reason for distinguishing between States on the basis of whether the money was coming from State or local sources?

Mr. **Plentl**. The proposal, the way it was written, was written on a State basis, thinking that the interests from the State level would be able to help establish priorities that may not be relatively well defined, let's say, at the local level. Certainly having a situation where local airports were willing to put an equal amount of money into development to meet the funding allocation, so that they could get the 50-percent Federal funds, is one way. I think, however, that's the way we stated it in the proposal is such that you would find greater benefits in terms of the distribution of the money versus one airport, let's say, that had the capability to put up a large amount of money for an item that may be of relatively low priority. For example, in North Carolina, if we were to have this program, we have an established priority system. That established priority system, which also includes judgment factors, would be used on the distribution of those funds and any distribution, of course, would be coordinated with FAA.

So, hopefully, that way we could get more bang for our dollar in terms of being able to meet more safety needs, more capacity deficiencies, this sort of activity.

I think that is the beauty of having it at the State level rather than the local level, in that you are assuring that priority systems are going to be used—that you are going to accomplish more of the needs.

Mr. **Fary**. Does this proposal contemplate any increase in State involvement other than increased State funding?

Mr. **Plentl**. No, sir, not the way it is proposed. I think, again to relate back to North Carolina, if you were to ask the North Carolina airports specifically whose program is it easier to work with, either the FAA or the State's, they would—even the larger airports, I think—would say the State's program is easier to work with. The reason being that we put a great deal of confidence in the local communities; we recognize that they are local governments, that they are trying to do a good job—and sometimes if you give them a set of crutches and tell them to use it, they are going to use it. But if you take those crutches away, you can find out that they can walk just as good as the next man.

It would vary from State to State, but I would say in almost all cases you would find that the existing State procedures, which would apply under the proposal, would be simpler, and there would not be any added level of bureaucracy or requirements as far as the funds go.

Now, there are certain, I am sure, Federal laws that would apply in that case, but we have not researched that matter.

Mr. **Fary**. And, Mr. Mladinov, do you propose using $75 million of ADAP funds for improvement of landside capacity, such as extension of mass transit systems to airport sites?

How expensive are these projects likely to be? And how many projects would we finance with $75 million?

Mr. **Mladinov**. We felt that in the particular case of JFK, that the project that we are lookinq into with the port authority and with the city of New York and the local communities is in the $100-million area, possibly. We are not proposing that that particular project be a candidate necessarily for this funding, because we see that project as being funded through a marrying of several revenue sources: potentially, highway trust funds, UMTA money in the particular case of the mass transit connector, New York City funds and State funds.

However, we feel that this is not the primary access limitation that is affecting JFK. It's also a highway limitation that is primarily affecting JFK right now. We feel that particular mass transit connector could relieve that highway problem, but in addition the funding we were referring to could help relieve the highway access problem.

Mr. **Fary**. Mr. Mladinov, in your testimony you have expressed dissatisfaction with the present system of allocating slots by an airline committee system, and with the slot auction approach proposed by CAB and FAA.

Do you have any proposed alternative to suggest at this time?

Mr. **Mladinov**. We have not formulated a specific proposal, but we are submitting comments to the consultant's report and we understand that comments are being solicited by the two Federal agencies.

We believe, however, that any system that can accommodate the needs of the commuter airlines in the essential service designations will require some setting off of a number of slots that the smaller airlines can compete for amongst themselves rather than having to compete against the larger carriers.

Mr. **Fary**. Mr. Mladinov, do you have any views on whether the airport operator or the Federal Government should have primary responsibility for imposing operating restrictions to reduce noise?

Mr. **Mladinov**. We have felt and written to the Federal agencies extensively that they have not borne the responsibility in the noise area that they should. We feel that there are responsibilities there that are not being adequately addressed at the Federal level.

We realize that there are substantial noise impacts at the airports that we have in New York City and New York State, and we feel that we are probably affected primarily by that lack of Federal involvement and leadership to a greater extent than any other area. We believe that there is a Federal responsibility there that is not being carried out.

Mr. **Fary**. Gentlemen, thank you very much for your appearance and for your testimony.

[Subsequent to the hearing, the following was received for the record:]

NATIONAL ASSOCIATION OF STATE AVIATION OFFICIALS
SUITE 400 • 1300 G STREET, N.W., WASHINGTON, D.C. 20005 • 202/783-0588

April 1, 1980

Mr. David A. Heymsfeld, Chief Counsel
Aviation Subcommittee
House Committee on Public Works & Transp.
2251 Rayburn House Office Building
Washington, DC 20515

ATTENTION: Record of Hearings, H.R. 6721

Following is additional information to supplement the testimony of the National Association of State Aviation Officials before the Subcommittee on Aviation, March 25, 1980, re: Airport and Airway Improvement Act of 1980. We respectfully request that it be considered for the Record.

On page 7, line 22, of our filed statement, we introduced the fact that "the present funding delivery system is breaking down." We feel it is important for the Congress to consider this in conjunction with the proposal for a state role to relieve the FAA of some of the administrative burdens involved in the ADAP program.

Chart I, attached, shows the Airport Program functions for which the FAA has had responsibilities since 1947. You will note that prior to the 1970's, the FAA was involved in administering the FAAP program, including the design and construction aspects of airport projects. At this time the program was not very large in terms of federal funding and numbers of projects, but the FAA had a staffing level which was high enough to fully involve them in the planning, programming, engineering, development of standards, administration, legal aspects, and auditing of every project. The FAA handled the national program through an organization of Area Offices which reported to Regional Offices.

With the passage of the Airport and Airway Development Act in 1971, the funding levels were accelerated resulting in extensive airport programs being initiated across the country (see Chart II).

FAA was reorganized by creating District Offices in most States in lieu of the multi-state Area offices. As a typical example, the District Office handling North and South Dakota was staffed with a District Chief, two engineers, a planner, a programmer, and a secretary — six persons. The national staffing to handle the program can be seen in Chart III.

At the same time, new Federal requirements from other pieces of legislation impacted the airport program at various times during the 1970-1980 time period -- Chart I. (In addition, mandated security requirements under FAR 107 were also added.)

A final look at the authorized manpower limits in the years 1976-1980, Chart III, completes the picture of what is now happening to FAA resources to administer the ADAP program:

Program functions to be administered have doubled in the 1970-1980 period.

Grant-in-Aid programs have increased from $30 million in 1970 to $629 million in 1979 and $610 million in 1980 -- a ten-year increase of nearly 2000 percent.

FAA manpower to handle the airport program has been cut back from a high of 729 in 1976 to the presently authorized 565 in 1980 -- a decline of 22.4 percent -- and two positions less than at the start of the program in 1970. The Airport District Office for North and South Dakota is now staffed by one Field Engineer, one Assistant, and one Secretary.

The result is that FAA in the 1980's will essentially be out of the engineering aspects of the airport program. No one seems willing to face the political fact that FAA is losing staff in the airports area or admit that this work element can no longer be accomplished by the FAA.

FAA has, in recent months, been forced to switch roles. The emphasis is now being placed on the front-end paperwork (environmental, etc.) with less time and staff to spend on the end product -- i.e., the finished airport projects. At the same time they have been losing staff, the FAA responsibilities have been increased in areas created by other non-aviation Federal laws. This has required FAA to eliminate direct engineering involvement in most projects.

They have been, therefore, forced to turn to having sponsors certify documents which used to receive extensive FAA reviews. Items such as:

-- Certification of Grant acceptance

-- Certification of plans and specifications

-- Certification of legal documents such as land acquisition and title options

-- Final audits and cost tabulations supplied by sponsor-hired auditors

A sponsor who assumes the risks of certifying such items can only do so by hiring professional help to insure that the project is covered with the proper administrative, planning/programming, and engineering expertise, as well as assistance for legal and auditing reviews. And once a project is finished, the Federal Government still needs to conduct a post-audit review covering the financial, legal, and engineering areas. We have found in the past that this type of review results in the auditing team being able to second guess everything done at the project level with "20-20 hindsight" on how the project should have been done correctly.

By certifying the legal and engineering documents, the sponsor is obligated to accept the financial risks which show up if the project runs into construction problems. A problem will force the FAA to review the project. They could find improper handling of the signing of the Grant; title opinions which are not up to the FAA standards; plans and specifications which may be deficient; construction testing and inspections found inadequate; and the audit report not up to FAA standards.

This delegation of these responsibilities to the sponsor is not hurting the larger airports, the national associations, or the airlines. On the other hand, the small air carrier airports, general aviation airports, and the commuter airports are forced to accept national policies which affect the well-being of the majority of the airports, but which they are not readily staffed or in an economic posture to handle.

Further, although the sponsor definitely runs risks of legal liability, in the end it is the traveling public that is hurt because they will not receive the airport project their taxes are paying for -- and this is the "end product" that should be the most important element of the whole process.

Who will fill this vacuum as the FAA phases itself out of direct involvements at the project level? In the case of the larger airports, they have the technical staffs to take care of themselves -- as has been amply demonstrated. The rest of the system, however, will have to resort to a team effort between the State government in those States with active aviation agencies or transportation organizations.

The evolutionary swing will soon be complete with the FAA continuing to lose staffing and converting its remaining staff to administrators of mandated Federal requirements (such as certification, FAR Part 139; Security, Part 107; EEO; environmental; land acquisition requirements).

In the meantime, the program has accelerated in terms of projects, dollars, and complexity with less emphasis being placed on what the program is really about: the planning, specification, and construction that result in a finished airport project.

A state role exists now. There is a need for State involvement to replace the lack of FAA capacity and capability to handle the program.

The state role is needed before the present deterioration of the delivery system causes the Federal airport program to bog down so completely it will negate the intent of Congress to fully develop the system to meet the national needs.

NATIONAL ASSOCIATION OF STATE AVIATION OFFICIALS

per Joseph C. Mason
Executive Vice President

Attachments

JGM/acl

CHART 1

-AIRPORTS PROGRAMS-

HISTORY OF PROGRAM FUNCTIONS
FISCAL YEARS 1947 THROUGH 1980

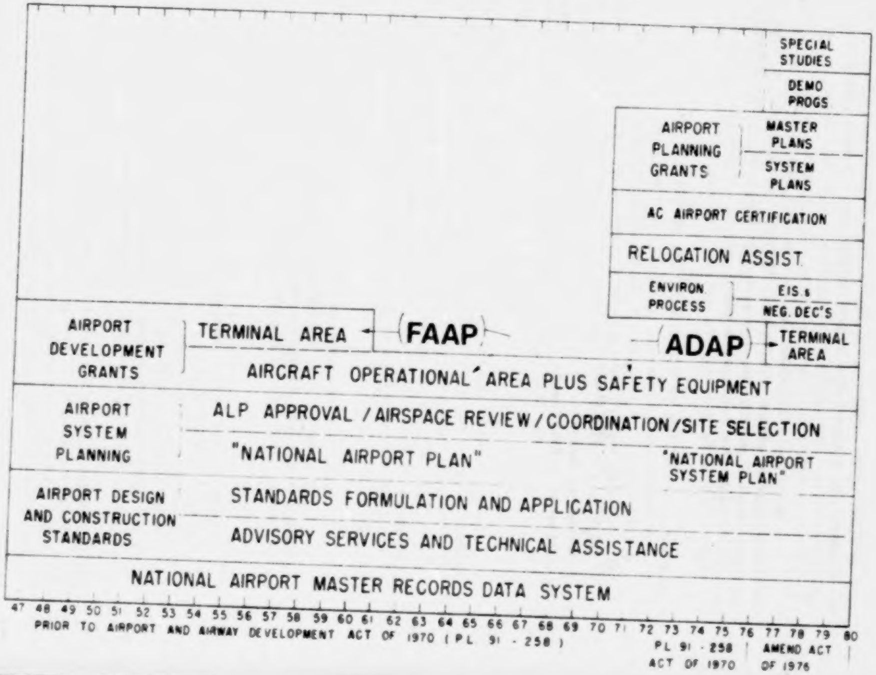
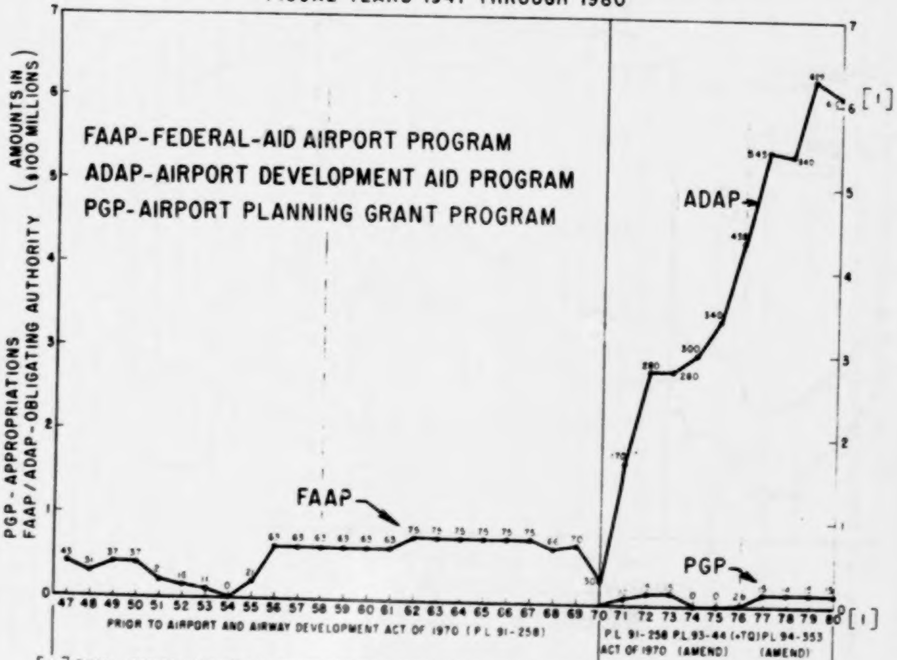


CHART 2

AIRPORTS PROGRAMS

PLANNING & DEVELOPMENT GRANT-IN-AID PROGRAMS

FISCAL YEARS 1947 THROUGH 1980



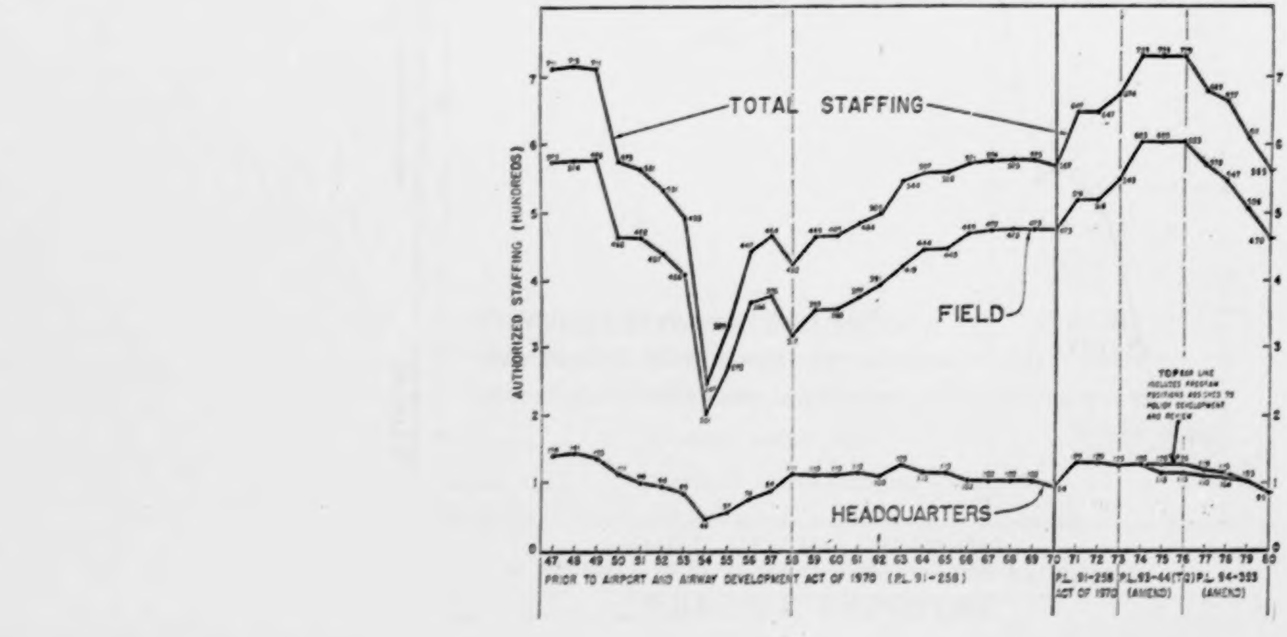
[1] FISCAL YEAR 1980 AMOUNTS REPRESENT STATUTORY AUTHORIZATIONS UNDER P L 94-353. AMOUNTS APPROVED PURSUANT TO ENACTMENT OF THE 1980 APPROPRIATIONS ACT MAY VARY FROM THE AUTHORIZATIONS SHOWN ON THIS CHART

CHART 3

AIRPORTS PROGRAMS

HISTORY OF AUTHORIZED MANPOWER

FISCAL YEARS 1947 THROUGH 1980



Mr. FARY. The next witness is Robert H. Waddle, executive director of the Columbia, S.C., Metropolitan Airport.

Mr. Waddle, the full text of your prepared statement will appear in the record at this point.

[Statement referred to follows:]

STATEMENT OF ROBERT H. WADDLE, EXECUTIVE DIRECTOR OF THE COLUMBIA METROPOLITAN AIRPORT, COLUMBIA, S.C.

Mr. Chairman, members of the Subcommittee on Aviation, Ladies and Gentlemen:

INTRODUCTION

My name is Robert H. Waddle and I am the Executive Director of the Columbia Metropolitan Airport, Columbia, S.C. Today I am testifying on behalf of, and as President of the Southeastern Airport Managers' Association. SAMA, as it is known, is an organization of airport managers in twelve states from West Virginia to Arkansas. All sizes of airports are represented by the SAMA membership which now numbers about 250.

We appreciate the opportunity to appear before the Subcommittee to testify with respect to the Airport and Airway Improvement Act of 1980.

STATEMENT OF SUPPORT

To begin with, let me state that our organization supports a continuation of the Airport Development Aid Program as we have known it for the past ten years. I personally have been actively involved with major ADAP projects such as the purchase of fire trucks at a California airport, the purchase of a large tract of land at a joint use military-civilian South Carolina airport, and a major terminal building expansion, runway reconstruction, lighting, and strengthening projects at Columbia, my current location. I know from personal experience of the innate fairness of the ADAP program as envisioned ten years ago and I am pleased to see a continuation of that philosophy in the current Airport and Airway Development Act of 1980, H.R. 6721.

In the late 1960's the airports of this nation were burdened by potential improvement and development costs brought about by the large increases in airline passengers due to the higher capacity, more economical jet aircraft. At that time we were planning for additional airport improvements and costs also to be incurred in order to respond to terminal and airfield surface needs of the new widebody aircraft technology. Why, I remember that the FAA published an Advisory Circular entitled, "Is your Airport Ready for the Boeing 747?" Such were the times ten years ago!

Those of us who have had the opportunity to cope with these dynamic changing needs of aviation technology translated into the demand for new airport facilities would suggest to you today we face different problems now but nothing, really, in terms of our need for capital funds, has changed. Today we face severe capacity problems at many airports brought about directly as a result of the Airline Deregulation Act of 1978. Today, even in the face of a severe recession, our passengers are up at Columbia by 7 percent in February over February a year ago and we have essentially lost two of our four carriers at our airport. With increased passenger loads and fewer flights the demands on our interior building space and services are greater, the peak demands are higher, and we all know that transportation facilities must be designed and constructed to handle the peak loads comfortably. We also face new technological and economic problems in dealing with commuter airlines; different demands for services. Aircraft weights continue to increase causing an apparent never-ending cycle of runway strengthening to achieve a safe and secure airport operation. If those demands were not enough, now come the new DOT regulations dealing with access to public transportation by the handicapped which we support wholeheartedly. Our airport expects to spend a quarter of a million dollars just to provide two elevators for the handicapped and elderly in our terminal building. And, Southeastern airports are not alone in facing higher costs due to inflation and new building requirements.

Therefore, I would submit to you that H.R. 6721 is on the right track; nothing has changed at any airports in the last ten years that would reduce our need for substantial funds from the ADAP program for essential mandated and demanded safety and capacity related airport improvements and that is why SAMA supports the airport aid program proposed by this bill.

CONSTRUCTIVE AND TECHNICAL COMMENTS

For the record, however, we would request that you make note of a few suggestions which are of a constructive nature:

1. We are pleased to see the continuation of the 90 percent federal share of most project costs. We would suggest that the federal share of project costs for "Certain Primary Hub" airports enplaning 0.25 percent of total annual passengers be established at 75 percent rather than allow the federal share percentage to be at the discretion of the grantor as the current slightly ambiguous language would now suggest.

2. We note the funds earmarked for improvement of reliever airports and we are particularly pleased to note the continuance of the suggestion that the Department of Defense shall make military airports and airport facilities available for civil use to the extent feasible. We suggest that military airports which are candidates for such joint use be specifically identified in some manner and that the legislation specifically establish a date upon which significant progress toward this potential joint use goal can be measured. We are particularly concerned that the potential for use in military airports as joint use reliever facilities is not fully being realized.

3. We support particularly the increases in the enplanement formula and we believe the multi-year funding aspects of those funds should continue as proposed.

4. We agree with the provisions of Section 10, paragraph (a)(1) which deals with the issue of non-discriminatory airport rates, fees, rentals, and other charges subject to reasonable classifications. We would direct the Subcommittee's attention to the growing segment of the air carrier industry known as the commuter airlines with their small operating margins and sometimes tenuous existence. Therefore, we suggest that the reasonable classifications which are allowed within the context of non-discriminatory rates and charges not exclude this important segment of passenger travel and that airports which establish lower rates for commuters not be penalized for fostering this growing segment of our industry.

RESPONSES TO QUESTIONS POSED

Question No. 1. To what extent should an airport be obligated to offer access to its facilities to all persons providing air transportation who wish to use them? What laws and procedures should be used to enforce such obligations? What effect should be given to contracts between airports and air carriers which limit the ability of other air carriers to gain access to the airport?

Answer No. 1. An Airport should be obligated to allow complete freedom of entry and exit to all comers. That this question has arisen today and that it has, in some locations, become an issue is not the fault of the particular airport operator. Prior to the relaxation of the CAB route award authority, market entry and exit was much more severely restricted than is now the case. In fact, route decisions proceeded so ponderously and with such long lead times that terminals could many times be completely revamped prior to the new market entry.

As a result, airport capacity problems were not an issue involved with considerations of entry and exit. Enter deregulation.

Now the picture has changed. Local airport economic and developmental decisions such as financially secure long term leases reached under tight entry and exit national policy are now being abridged and criticized as counterproductive to the new national policy of relaxed entry and exit. Such local airport policies may well be counterproductive to easy entry and exit but importantly it must be realized that national policy in the form of eased entry and exit is the real culprit, not the local airport. I know of no airport in the Southeast which would be uncooperative in accommodating new market entrants if it were really financially reasonable and affordable to do so quickly. Therefore, the answer to airport capacity problems is a large infusion of money directed specifically at a particular airport's capacity limitation. It is patently unfair to expect local airport government to underwrite the cost of responding to changes which are the direct result, overnight in many cases, of a significant shift in federal entry and exit policy.

Question No. 2. Under what circumstances should there be restrictions on operations at an airport to meet problems of safety or air or ground congestion? Should the airport or the federal government decide when such restrictions should be imposed?

Answer No. 2. There should be no restrictions on airport operations if adequate provisions and funds are available to meet specific safety and capacity related airport problems. I urge the Subcommittee to recognize that slot allocation programs, curfews, and the like are symptoms of inadequate capacity which in itself represents a trend toward poor service to the traveling public. Already the quality of life for 46,000 passengers a year in the Columbia-Washington market has declined because Washington National slot allocation and environmental restrictions have become economic minuses when viewed from the perspective of the air carrier serving the route. The result is the elimination of non-stop service and the imposition of connecting service designed not to serve the public's traveling need but rather to serve the Washington National Airport's need to restrict its operations. The tail is truly wagging the dog!

Question No. 3. If operational limitations are imposed under (2) above, what procedures should be followed to allocate the available "slots"? Have existing scheduling committees been successful in allocating slots at the airports? Have other methods been used by airport operators to allocate slots? Should demonstration programs be undertaken to experiment with different allocation procedures?

Answer No. 3. There should be no airport use restrictions. Rather trust funds should be targeted to solve quickly the airport capacity problems which exist.

Question No. 4. What types of restrictions should an airport operator be permitted to impose to reduce aircraft noise? Should the federal government be required to approve any such restrictions? Should there be changes in the legal principles governing liability for injury to persons and property from aircraft noise?

Answer No. 4. It is my belief that the question of liability for aircraft noise can be expressed and understood clearly if the issue is recognized as a jurisdictional question. When criminal aircraft hijacking was prevalent, a jurisdictional dispute between the FBI and the FAA arose. It was solved by an agreement that the FAA had jurisdiction while the subject aircraft was airborne; and, the FBI had jurisdiction while the airplane was on the ground. Using the same philosophy, airport operators or the aircraft operator could be assumed to be responsible for noise created while on the airport. The federal government or the aircraft operator should assume liability for noise created by craft in the air. After all, the federal government directs the position, altitude, and direction of commercial aircraft utilizing air traffic control facilities and federally operated and controlled navaids; and establishes rules limiting the amount of noise generated at the source. My answer is yes, there should be changes in the legal principles governing liability from aircraft noise along the jurisdictional lines proposed.

SUMMARY

Again, Mr. Chairman, I wish to thank the Subcommittee for hearing this testimony. The Southeastern Airport Managers' Association supports H.R. 6721 and respectfully requests your attention to our suggestions.

Mr. FARY. Please proceed.

TESTIMONY OF ROBERT WADDLE, EXECUTIVE DIRECTOR, COLUMBIA METROPOLITAN AIRPORT, COLUMBIA, S.C., PRESIDENT, SOUTHEASTERN AIRPORT MANAGERS ASSOCIATION

Mr. FARY. The next and last witness is Mr. Robert Waddle, executive director, Columbia Metropolitan Airport, S.C., and president, Southeastern Airport Managers Association.

Mr. Waddle, when ready you may proceed.

Mr. WADDLE. Thank you, Mr. Chairman. Mr. Chairman and counsel, I am representing today the Southeastern Airport Managers Association. SAMA, as it is known, is an organization of airport managers in 12 States from West Virginia to Arkansas. All sizes of airports are represented by the SAMA membership which now numbers about 250 people.

We appreciate the opportunity to appear before the subcommittee to testify with respect to the Airport and Airway Improvement Act of 1980.

To begin with, let me state that our organization supports a continuation of the airport development aid program as we have known it for the past 10 years. I personally have been actively involved with major ADAP projects such as the purchase of fire trucks at a California airport, the purchase of a large tract of land at a joint-use military-civilian South Carolina airport, and a major terminal building expansion, runway reconstruction, lighting, and strengthening projects at Columbia, my current location. I know from personal experience of the innate fairness of the ADAP program as envisioned 10 years ago and I am pleased to see a continuation of that philosophy in the current Airport and Airway Development Act of 1980, H.R. 6721.

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Mr. **Fary**. Mr. Waddle, pardon the interruption, but it is necessary for me to vote on the floor of the House, so I will have to call a recess of about 15 minutes. Are you in a big hurry?

Mr. **Waddle**. No, I can wait.

Mr. **Fary**. If you can, fine; if not, we can make the balance of your testimony a part of the record and submit these questions to you. However, if you have time, good. I'll be back as fast as I can, all right?

Mr. **Waddle**. Thank you, Mr. Chairman.

[The subcommittee briefly recessed.]

Mr. **Fary**. The subcommittee will come to order. We will start, Mr. Waddle, where you left off.

Mr. **Waddle**. Mr. Fary, the remainder of my testimony is already a part of the record, I understand. I do have one or two comments, after which I could respond to questions, if that is satisfactory with you.

Mr. **Fary**. Without objection. You may proceed.

Mr. **Waddle**. All right, sir. I noted this morning that there were several witnesses, several questions concerning the potential for defederalization of airports, and I just have one comment on that, and that is this—that the defederalization of airports and making a certain number of airports ineligible for ADAP funds really amounts to redistributing funds which have traditionally gone for airport development. If the tax remains the same, at 8 percent, and the airports are then to negotiate with the carriers for those funds, then what it amounts to is that the public interest provisions of the funds which were previously available under ADAP are then available to airports only at the discretion of the carriers.

So I thought that comment was appropriate to some of the comment this morning.

I think that's about it, sir, and I am ready for questions.

Mr. **Fary**. All right. The Senate Commerce Committee chairman has proposed reducing the airline ticket tax from 8 percent to 2 percent.

What is your opinion on such a reduction? Do you think that this tax reduction would deplete the trust funds so quickly?

Mr. **Waddle**. I actually haven't any data that would indicate whether it would deplete the trust fund, and, if so, to what extent.

But my general feeling is that if taxes are not required then they shouldn't be imposed. And if the trust fund is as it has been previously stated about $3.7 billion today, it would appear to me that some reduction might be in order, assuming that the adequate levels of safety and capacity needs of the Nation's airports could be addressed with the funds available without the tax reduction.

Mr. **Fary**. You state that one of the major problems faced by many airports today is a lack of terminal capacity.

Do you think that the provisions of H.R. 6721 on terminal development are sufficient to deal with the problem?

Mr. **Waddle**. Yes, with a couple of exceptions. I think in those areas where slots are allocated, where restrictions are imposed that perhaps the availability of funds under the current bill may not be enough, I would suggest that those airports should be identified—Washington National, LaGuardia, Chicago O'Hare, for instance, to name three, perhaps Atlanta—and that sufficient funds be made available specifically for those airports from the trust fund excess to address the capacity problems which have been brought about by the increasing usage, increasing numbers of airline users and so forth at those popular airports.

Mr. **Fary**. All right, Mr. Waddle, do you endorse the idea of joint use of military airfields, of civil and military aircraft?

There seems to be reluctance on the military's part to move forward on this. Can you elaborate on how we in Congress should remedy this situation?

Mr. **Waddle**. Well, I think that the Congress should write into this bill a provision directing—and that is the correct word—directing the Department of Defense to address the issue within a specific timeframe. I think the gentlemen from the Aircraft Owners and

Pilots Association had a very cogent comment with respect to this, and I would endorse his suggestion.

Mr. **Fary.** You are saying no capacity restrictions should be imposed at congested airports, rather money should be spent to expand capacity.

Does your answer indicate that you would oppose restrictions to reduce noise, such as limitations on operations, or curfews?

Mr. **Waddle.** Yes, I would oppose limitations to restrict noise on the basis that a higher priority exists, that is, the development of commerce as was aided by the airport and airway system.

I recognize that there are airports in this country with severe noise problems, but I would remind the committee that I represent the southeastern airports, of which by nature have less noise problems, perhaps because of a more tolerant citizenry, certainly because of the fact that our airports are largely surrounded by trees, and we don't have the noise problems that they do out west.

Mr. **Fary.** One final question, Mr. Waddle. Do you have any opinion on the desirability of making large and medium hubs ineligible for ADAP funds as proposed in the Senate bill?

Mr. **Waddle.** My feelings are that the ADAP program should continue as it is proposed in the current bill, which the subcommittee is considering. However, if defederalization is to be effective as a last resort or following the conference committee, or at some later date, I would strongly suggest that the funds for airport development be made available to those defederalized airports by virtue of a passenger service charge or a head tax.

And I would prefer that that passenger service charge be a local option head tax, that it be a passthrough of the existing passenger ticket tax, and that it be made available based on a percentage of the ticket, as is the current Federal tax on airline tickets.

Mr. **Fary.** We will conclude our hearings for today. Thank you for your appearance and your testimony, Mr. Waddle. The subcommittee will stand in recess.

[The subcommittee recessed at 4:29 p.m.]

AIRPORT AND AIRWAY IMPROVEMENT ACT OF 1980

WEDNESDAY, MARCH 26, 1980

House of Representatives,
Subcommittee on Aviation,
of the Committee on Public Works and Transportation,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:06 a.m., in room 2253, Rayburn House Office Building, Hon. Elliott H. Levitas presiding.

Mr. Levitas. The Subcommittee on Aviation will please come to order. This is a resumption of the hearings of the Subcommittee on Aviation on the Airport and Airway Improvement Act of 1980, H.R. 6721.

We have a full agenda of witnesses today, and we will try to get right into it so that we can hear the testimony of all concerned.

Mr. Levitas. Our first witness is Duane Ekedahl, who is president of the Commuter Airline Association of America.

Mr. Ekedahl, would you come forward, take a seat, and introduce your colleagues? Your statement, without objection, will be made a part of the record. You may proceed as you so desire.

[Statement referred to follows:]

Statement of Duane H. Ekedahl, President, Commuter Airline Association of America

I am Duane H. Ekedahl, President of the Commuter Airline Association of America (CAAA). It is my pleasure to present the views of short-haul and feeder air carriers regarding our national airport development needs and priorities.

Commuter air carriers primarily provide short-haul, hub-spoke service which links outlying towns and communities with frequent, direct service to the nation's principal air carrier airports. As evidence of the importance of this commuter connection to the air traveling public, nearly 80 percent of all commuter passengers "interline" with other scheduled flights. Fifty-five percent of all commuter enplanements, some 5.7 million passengers, boarded their flights outside the 74 airports currently classified as large or medium commercial hubs.

Under airline deregulation, commuter airlines will assume an even more significant proportion of all such local and feeder air service over the next decade. The economics of short-haul transportation make it increasingly difficult for air carriers utilizing large transport aircraft to profitably serve these markets. Commuter airlines on the other hand, with frequent schedules flown in aircraft matched to the market size, can provide convenient replacement service.

In the twelve years prior to the Airline Deregulation Act, 172 communities lost certificated service. Commuter airlines today serve 140 of them. The guarantee of ten years of air service in the Airline Deregulation Act assures that all cities on a certificate will have suitable replacement air service. In 50 cities since deregulation, commuter air carriers are providing replacement service. Further, in all cases where the Civil Aeronautics Board has made essential air service determinations, as mandated by the deregulation act, commuter air carriers are providing the required level of replacement.

The Airline Deregulation Act sets forth as public policy that air service be provided in accordance with "the highest possible level of safe, reliable air transportation to all communities served by air carriers." It also directs that "essential air transportation" be guaranteed through "the maintenance of a comprehensive and convenient system of continuous airline service for small communities and isolated areas." We believe these provisions are critical to the success of the deregulation. In large part, they cannot be met without the addition of new capacity and improved access to our nation's air carrier hub airports, and the upgrading of facilities at the smaller commercial service airports regularly served by commuter airlines.

Thus, the commuter airline industry views the proposed Airport and Airway Improvement Act of 1980 (H.R. 6721) as a vitally important step in providing safe, reliable and convenient air service to America. Without sufficient airport capacity and reliable access on an all-weather basis, the air transportation industry cannot successfully meet the growing demand for air travel or the congressional mandate to maintain levels of essential air transportation.

H.R. 6721 is an excellent bill which, in our estimation, will continue the modernization and expansion of our national aviation system. However, we would like to offer the following additional suggestions:

CAAA recommendations

1. *Development of Commuter Airports.*—The commuter airline industry strongly supports the provisions that would make airports served by commuters eligible for enplanement funds. We would add a provision for a $750,000 set aside to each commercial service airport over the next five years. We believe this provision is important to enable planning and a sufficient accumulation of funds for use in high priority projects that improve safety or expand capacity.

The record on funding smaller airports has not been good. During the period 1971 through 1979, the FAA underspent minimum authorizations set by Congress for airport planning and development by some $1.2 billion. Runway and taxiway improvement, removal of obstructions and hazards, ramp and terminal facilities, and emergency equipment are all ADAP eligible. Investment in these facilities will improve safety.

2. *Gap in F. & E. at small airports.*—There is a large gap between the precision approach aids and equipment on the airports we serve and those served by the certificated air carriers. As a prime example of this, 66 percent of the airports commuters exclusively serve in the Continental United States lack precision landing systems. The installation of the needed equipment under the existing system would take a minimum of three to four years.

The FAA must be instructed by Congress to revise its existing "facility establishment criteria." This is the econometric methodology by which FAA determines airport eligibility for the installation of equipment such as instrument landing systems, radars and visual glideslope indicators. These criteria were established in 1974 and have not been revised since then. The result is a growing level of inequity between the facilities at trunk and local service air carrier airports and those served by commuter airlines. For example, under these criteria, some airports are qualifying for their third and fourth instrument landing system (ILS) while there are some 200 airports regularly served by commuter airlines that do not have even a single ILS.

The Airline Deregulation Act requires the FAA to assure that the level of air safety afforded to persons traveling on commuter carriers, to the maximum extent feasible, be equivalent to the level of safety provided to persons traveling on certificated air carriers. It has been seventeen months since the Airline Deregulation Act became law and there has been no corresponding program to upgrade commuter airport facilities. Apparently, the FAA needs to be further directed by Congress that the development of commuter service airports is necessary to meet this safety mandate. We recommend that the airport/airways legislation clearly establish its priorities consistent with the objectives of airline deregulation.

A change in FAA facilities establishment criteria will not, however, result in an immediate upgrading of commuter airports. There is typically a 3 to 4 year programming lag in FAA procurement between the time an airport qualifies for, as an example, an ILS, and the time the equipment is budgeted, contracted for, installed and commissioned. We believe such procurement delays must be avoided.

Under the existing airport/airways legislation, an air carrier airport can purchase an ILS or other navigation aids under its ADAP funds. The airport, however, bears the burden of its share of procurement and installation costs (like any ADAP project), and it must pay for the operations and maintenance costs of the facility until such time as the airport actually qualifies for that equipment under FAA's establishment criteria. In contrast, under FAA's Facilities and Equipment (F&E)

program, the federal government bears all costs of purchase, installation and maintenance.

In order to close the gap in equipment needs we believe this provision, which is retained in H.R. 6721, should be modified to enable airports served by commuters to acquire facilities such as ILS's and other navigation aids on an expedited basis. Rather than the potential three year wait that would accompany a change in FAA's establishment criteria and programming cycle, we propose that commuter airports be encouraged to contract directly with manufacturers to purchase and install FAA-approved equipment as part of their on-going ADAP development program.

To make it possible for these airports to do so, several changes in H.R. 6721 are needed. The federal-sponsored cost sharing ratio must be modified. Since the installation of this equipment is of high priority in regards to air safety, the CAAA recommends that the federal share should be 100 percent as it is now under the F&E program. To assure that this provision would not be abused, however, we have recommended that minimum levels of demonstrated service be required before airports qualify under this program. That level of service would be, in our estimation, an average of two scheduled flights per day over at least a one year period.

Two additional requirements would be imposed to prevent abuses: (a) the project must be contained in the approved airport master plan and (b) the equipment installed must meet all FAA technical standards for commissioning.

It would be also necessary for the FAA to assume the recurring operations and maintenance costs of these facilities at commissioning, rather than delaying federal support until operations reach the criteria qualification point.

Such a program would result in an immediate, yet orderly approach to assure that commuter airports are equipped to an equivalent level of safety with trunk and local service airports. We estimate that the capital cost of such a program would not exceed $95 million.

3. *Rights of airport access.*—The CAAA believes that all airport and airway programs must be administered with due regard for the goals of fostering competition, preventing unfair methods of competition in air transportation and maintaining essential air services. We are pleased that H.R. 6721 contains in the Declaration of Policy and the Project Sponsorship assurances of access for all users. This language should be strengthened by establishing procedures of judicial enforcement of all ADAP provisions and to provide a legal standing for carriers aggrieved by discriminatory airport policies. With the restructuring of short-haul and feeder air transportation under deregulation, these legislative safeguards must be included in H.R. 6721 to guarantee equal rights of access of all users within reasonable time and upon reasonably competitive terms.

Commuter airlines provide important feeder services into our nation's major air traffic hubs. Under deregulation and mandated levels of replacement service, commuter airlines will link surrounding communities with their associated hub airports. Where the departing jet air carrier provides two flights per day, commuter replacement levels will be five or more flights per day. Thus, terminal congestion is both a safety and a capacity issue for commuter airlines.

We believe it is possible to add much needed new air traffic access by developing "reliever" approach procedures and runways, not to mention satellite airports for general aviation use. There is little reason to queue jet and commuter aircraft together. The lower approach speeds, great maneuverability and shorter landing distance of aircraft generally used by commuter airlines offer great flexibility in the utilization of congested terminal airspace and groundside facilities. Development of "stub" runways and other alternative landing sites such as has been recently done by Ransome Airlines can also provide much needed future capacity with no deterioration in air safety.

4. *Recognition of cargo.*—The All-Cargo Deregulation Act of 1977 has provided small all-cargo carriers with the opportunity to provide new and expanded services to the shipping public. The small all-cargo air carriers provide regional cargo service connecting at the major hubs in the region with the long-haul cargo carriers to serve destinations in other regions and overseas. Last April, CAAA Chairman H. Boyce Budd, Jr., Executive Vice President of Summit Airlines testified before the Senate Commerce Committee that: "Demand for Cargo Services has been snowballing. Although deregulation did not create the demand, it created the potential to serve it, without regulatory limits."

One of the major constraints on the ability of all-cargo carriers to fully respond to the freedoms of deregulation is cargo facilities at many airports are limited. This lack of facilities has constrained the services of all-cargo air carriers.

The all-cargo carriers look to the Airport and Airway Improvement Act to officially recognize the importance of developing cargo facilities. Specifically, we would like the development of cargo facilities to be clearly part of the national airport and airway system.

Thank you for your interest in our views. I would be pleased to answer any questions you may have.

Mr. **Levitas.** Please proceed.

TESTIMONY OF DUANE H. EKEDAHL, PRESIDENT, COMMUTER AIRLINE ASSOCIATION OF AMERICA, ACCOMPANIED BY TULINDA DEEGAN, VICE PRESIDENT, GOVERNMENT RELATIONS, COMMUTER AIRLINE ASSOCIATION OF AMERICA; AND ALAN R. STEPHEN, VICE PRESIDENT, OPERATIONS, COMMUTER AIRLINE ASSOCIATION OF AMERICA

Mr. **Ekedahl.** Thank you, Mr. Chairman. With me are Tulinda Deegan, vice president of Commuter Airline Association for Government Relations, and Alan Stephen, vice president of operations for the Commuter Airline Association.

We appreciate your making the statement a part of the record. I will speak directly to you because our interest in the entire question of ADAP centers around two issues, and really two issues only, and they are the lack of facilities and equipment—ILS and other such equipment—at the smaller airports, and the question of assured access at those airports in future years for commuter carriers.

We think the House bill is very well drafted, and it helps in both of these areas. However, there are still problems for us on these two points. We have submitted specific language to the staff on these two points that we will discuss here this morning.

Now, the first question—that is, the question of the lack of safety nav-aids at the smaller airports—is one of extreme concern not only to us, but to many government officials who, in recent months, have studied the question of commuter safety.

As you know, we have been through a series of hearings in the early part of this year; two congressional hearings, the National Transportation Safety Board, and the FAA had its public symposium on the question of commuter safety. The one overriding message that came out of those public hearings was the fact that there is a lack of safety equipment, and nav-aids in particular, at these smaller airports—a shocking lack of this equipment, to paraphrase the members of the House Oversight Subcommittee who viewed this with some alarm.

Two-thirds of the airports in the country served exclusively by commuters only have no ILS. VASI's are lacking at three-quarters of the runways served by commuter air carriers; radar and weather equipment are also missing.

Why has this happened? It has happened primarily because the FAA's facility establishment criteria do not allow funds to flow through to the smaller airports. These criteria were established in 1974; they have not been revised since that date. They are keyed to numbers; they are keyed to an economic consideration for the deployment of these funds. Such things as cost-benefit ratios, productivity, and so on, are built into those criteria, and the net result is that the smaller airports do not get the equipment that they need.

The question occurs, can these criteria be revised? Our view is that unless this committee directs the FAA to revise those criteria, they will not be revised, because it has been 17 months since the Airline Deregulation Act was put in place and there has been no change in those criteria.

It has been some time since the early part of this year when we had our hearings on commuter safety when it became crystal clear that this was a problem area, and to our knowledge, there has been no change in the FAA formula and no attempt to change these criteria that we are aware of.

Now, suppose the criteria were revised today. There still is a problem, and that problem rests on the fact that the procurement cycle at the FAA runs 3 to 4 years. So we would be talking 3 to 4 years before these ILS's and other such equipment actually are in place at the commuter airports. We do not think that Congress intended that there be an equivalent level of safety between the commuter carriers and the certificated carriers in a 3- to 4-year time frame.

So, in the language that we have addressed to the committee, we have suggested a plan that would really do two things. One, it would provide a catchup at these airports, and it would do it in a way that we think would not disrupt the overall budget balances. This is described in our statement and I will not get into the detail of that here. I will simply say that it is in the form of set-aside in the ADAP funds, which we would ask be treated like F. & E. funding, because essentially it is F. & E.

By setting it aside on the ADAP side, it enables the airports to take the initiative now and to begin at this time to acquire the necessary safety equipment. In the 2- to 3-year time frame that it would take FAA just to get started, we expect we would have that equipment in place.

Now, as to the cost of this set-aside, we estimate the total cost to be $95 million. This would be installation of ILS at some $120 commercial service airports served exclusively by commuters; it would include VASI and radar installations also.

To put the magnitude of those moneys in perspective, at these hearings yesterday there was talk about extending the runway at Orlando and the cost for that running some 120 to perhaps $200 million. That is more than the cost we are suggesting to provide precision landing systems throughout the entire system at those airports that can take precision landing equipment.

So we hope our proposal will be given serious consideration. Perhaps there is another method to close the gap, but we think that this plan will work.

On the question of access—the second question that is, of course, very important to commuter air carriers if they are to grow in the role of providing essential air service to the small communities, as mandated by Congress, provide a replacement air service and keep the small communities linked to the national system—obviously, access to primary airports is critically important, because our passengers are, for the most part, feeder traffic and interline traffic that have to get to the primary airports and connect.

We think the language in the House bill, in the declaration of purpose and in the project sponsorship sections, is very, very excellent. We strongly support that language which relates to the fair and equitable treatment of all carriers at these airports.

The only thing we would add would be some provisions relating to enforcement. We have drawn upon the administration's bill, with some changes, and these are part of what we have submitted to the committee in the way of language that would just add to the enforcement of those nondiscrimination clauses.

Finally, with respect to access, we would raise one more point, and that is that the small, all-cargo carriers are also really in the business of feeding cargo and freight at the primary airports to other long-haul carriers that continue those parcels on their routes.

Since deregulation of that segment of the industry, there has been some considerable growth. They are an important factor in the economic development of the rural regions of our country. We would ask that the bill recognize the importance of the small, all-cargo carriers or the all-cargo segment of the industry, and clearly state that they are to be considered an integral part of the national system.

Thank you very much. That concludes my summary of our position, and we would be happy to attempt to answer any questions that you may have.

Mr. LEVITAS. Thank you, Mr. Ekedahl. On page 5 of your testimony and in your oral presentation, you urged the installation of instrument landing systems at commuter service airports which average two scheduled flights a day. How many airports would get ILS's under that proposal?

Mr. EKEDAHL. We estimate about 120 airports. When you consider those airports that are capable of accepting ILS, considering the environments, the terrain, and so on, we estimate that 120 airports would receive ILS.

Mr. LEVITAS. That is the 120 figure that you referred to?

Mr. EKEDAHL. That is the 120. We used the figure of $750,000 as the cost of an ILS. Multiplying that out, it comes to $90 million; that would be for 120 airports. Another $5 million would cover the VASI, radar, and other related equipment at the commercial service airports.

Mr. LEVITAS. Now, in your testimony on page 3, you say there are some 200 airports regularly served by commuter airlines that do not have an ILS. So there still would be 80 that would not, for whatever reason, qualify under your proposal.

Mr. EKEDAHL. That is correct.

Mr. LEVITAS. Do you have a list by name of these airports that would be eligible and those which would not be eligible?

Mr. EKEDAHL. We have a pretty good idea of what that list would look like.

Mr. LEVITAS. Could you furnish it to the committee?

Mr. EKEDAHL. Yes, we could

Mr. LEVITAS. I have become very interested in getting names and locations on things of this sort, rather than just figures. We can check pretty clearly where you got a name.

What criteria does FAA now use to determine when an ILS should be installed?

Mr. EKEDAHL. The criteria, as we understand it, are strictly economic. They relate to the total costs and the benefits that can be derived by total numbers of people. Questions of the productivity of the airport, and so on, are all built into the formula.

As a consequence, the smaller airports just do not survive in that scanning.

Mr. **Levitas**. Are there any commuter airports, and if so how many, that would be eligible under the existing FAA criteria?

Mr. **Ekedahl**. We have asked the FAA how many commuter airports are now scheduled for ILS, and we do not know the answer to that. The indication is that there might be five or six airports that currently, under the existing criteria, are scheduled to get ILS. I cannot give you a hard answer to that, because we are not absolutely certain

Mr. **Levitas**. When did you make that inquiry?

Mr. **Ekedahl**. This was in the course of the FAA symposium that occurred during the first of the year here in Washington, in Reston.

Mr. **Levitas**. And who did you ask?

Mr. **Ekedahl**. We talked to the Associate Administrator, Mr. Wilkins.

Mr. **Stephen**. We formally met with the Associate Administrator for Policy and International Affairs, Dr. Bill Wilkins, and the head of the Aviation System Planning Office, Tom Messier, and his deputy. At that time, we reviewed their economic criteria and specifically asked them questions regarding whether or not they were going to change their criteria and specifically how many airports would be receiving ILS's under the current procurement.

The answer was that they did not have a hard answer they could give us, and they did not share with us those airports that they had analyzed or those airports that would qualify. We understand that that is the same problem that many Congressmen have faced in trying to get similar information from FAA.

Mr. **Levitas**. They did not know which airports?

Mr. **Stephen**. No, sir.

Mr. **Levitas**. Did they know who might know?

Mr. **Stephen**. They have the list, but they will not share it.

Mr. **Levitas**. They have the list?

Mr. **Stephen**. The list is developed by the Aviation System Planning Office.

Mr. **Levitas**. According to our information, there will be 267 ILS's installed in the next 5 years. Do you know where those will be installed or which commuter airports will qualify for them?

Mr. **Stephen**. No. Our concern is that the economic criteria—what we have seen so far is that the large air carrier will qualify for their second, third, or fourth ILS before a commuter airport can get its first ILS. I believe that the last number I saw was that there were 659 ILS installations in place in the United States; approximately 10 percent of those were in airports exclusively served by commuters.

I might also add that that question came up at the Ways and Means oversight hearings. The deputy administrator, Quentin Taylor, was asked the same question, and at that time they could not provide a hard answer as to even 1981 installations; how many were actually being deployed and how many of those were new installations versus replacement, and whether or not any of those installations were going into airports exclusively served by commuters.

Mr. **Levitas**. Or where they would be.

Mr. **Stephen**. That is correct.

Mr. **Levitas**. In the past, the FAA witnesses have told this committee they do not know. You say, however, that you believe there is such a list floating around someplace.

Mr. **Stephen**. Yes, sir.

Mr. **Levitas**. Well, maybe we can find out about that when FAA testifies.

In your testimony, you advocate a $95 million set-aside for ILS and other nav-aids for smaller airports. Are you advocating an additional $95 million, or a $95 million which would be part of the funding levels in H.R. 6721?

Mr. **Ekedahl**. It would be part of the funding levels in H.R. 6721—a part of the ADAP discretionary funds.

Mr. **Levitas**. You also criticize FAA for not spending all ADAP funds which have been authorized. However, in some years the Appropriations Committee has imposed obligational ceilings which prevent FAA from obligating all authorized funds.

Furthermore, data which FAA has supplied shows that since 1976, when we amended ADAP the last time, FAA has spent nearly 97 percent of the amounts allowed under the obligation ceilings. What is your response in light of that information?

Mr. **Stephen**. I think the basic, bottom line is yes, the FAA has done a good job of spending its appropriations. But the Public Works Committee, in establishing authorizations, hopefully has established what the public need is, and the amounts budgeted in the authorizing legislation are those amounts necessary to continue to keep the airport and airway system safe and keep it up where capacity demands.

It is very important to the entire aviation community that the money that is deemed necessary by this committee be authorized and obligated.

Mr. **Levitas**. Mr. Ekedahl, you advocate—I think the words you use are "judicial enforcement" of access rights under the ADAP legislation. Would you expand on what you mean by that? Are we talking about a nationwide problem on commuter access, or is it an isolated problem?

Mr. **Ekedahl**. I think that in that, we are looking for something to have in place, if needed, in an extreme case. The judicial enforcement clause would really just enable the Secretary to apply to the district courts and give the district courts jurisdiction to assure compliance with the nondiscriminatory clauses.

In our view, it just clarifies the Government's role. There is no additional burden on an airport if there is no discrimination occurring. We really do not see this as something that would be widespread or used on a broad basis, but it is something that would be very important to have in place if there is a specific example.

Our carriers really have to get along with their airports. It is very unlikely that they are going to end up in court with an airport unless there is an extreme case of clear discrimination against a carrier, it seems to me. So we see that as an important provision; it gives a little extra strength to the anti-discrimination clause in the bill.

Mr. **Levitas.** I think it is fair to say that the committee—and certainly speaking for myself—recognizes the question of access as a major problem, both now and even more so in the future. By access, I mean both gate facility access and slotting access in the busier airports.

We cannot really talk about a deregulated system when, once you are deregulated, you cannot fly to where it is you are supposed to fly. In the case of commuters, it becomes particularly important where replacement service is being offered and provided by commuters, and yet the certificated carrier whose service you are replacing has all the gate facilities at the airport that you are supposed to be providing replacement service into. So I think there is clearly a recognition of the slotting problem and the gate facility problem.

Again, speaking for myself, I am somewhat troubled by the provision in the administration bill. I do not really think it has been fully thought through. I think there are a lot of problems, both constitutional and practical, with it.

Consequently, I am proposing and will be offering an amendment at the proper time which I outlined yesterday; I do not know if you were in the hearings at the time. Essentially, what it will do is it will call upon the Secretary of Transportation to convene a conference on access very shortly after passage of this legislation.

This conference will have a very short period of time within which to work; it is not going to be one of these long, drawn-out things. The concept is to put everybody in the same room who are dealing with this problem. My experience has been that nobody is talking with anybody else; everybody is just talking to themselves on this subject.

Take the airport operators, the certificated carriers, the commuter carriers, the FAA, the CAB, the financial institutions that have underwritten the long term bonds for airports based on leases to carriers in some instances, the public interest groups and the passenger associations, and say, Look, here is the problem. You know it better than Congress does; I think you probably know the solutions better than the CAB or DOT does. But all of you come together and define what the problems are and, if you can, come up with some answers to them.

The answer for Washington National may be different from the answer at O'Hare or Hartsfield; come up with some answers that we can then incorporate into a statutory solution.

What is your reaction to that type of approach?

Mr. **Ekedahl.** I think we would be very happy to participate in such a conference. I think we share your concerns that there just does not seem to be an answer to the slot problem. We have lots of reasons why we have serious concerns about slots, generally, but I do not think we have an answer. I think that many other segments of aviation are in the same position, so we would be very happy to participate in that session.

Mr. **Levitas.** Are you familiar with the polynomics study that was done?

Mr. **Ekedahl.** Yes.

Mr. **Levitas.** Do you have any comments on that?

Mr. **Ekedahl**. Ms. Deegan, who worked with that for our group, could perhaps comment on that.

Ms. **Deegan**. The Commuter Airline Association submitted comments which we can supply to the committee—a detailed analysis of the polynomics study, and basically any other bid or pricing mechanism to solve the airport problem as it impacts upon the small carrier.

Basically, our concern is that any pricing solution will have a harsh impact upon a short-haul or small aircraft operation, simply because there are less miles and fewer seats to disperse that increased cost over. Many of the cities that we serve are already marginal, and fuel costs and all other costs are going up.

If we add on top of that a pricing mechanism for getting airport access, not knowing where that money will be going that is being collected, we have a very big concern.

The polynomics study itself, while perhaps, on economic theory, is quite sound, certainly misses a lot of points of technical applicability in the airline industry. So we voiced our strong opposition to any polynomics type approach to solving the airport problem.

Mr. **Levitas**. I think that underscores the thrust behind the proposal that I am going to make. Until we get all of the players sitting around and talking to each other to come up with some solutions, I think we are just going to have unilateral solutions being proposed by different groups without really focusing.

Interestingly enough, even among the certificated carriers, or even within a single airline, there is not a uniform position. For example, I am sure that Delta, for example, is not very happy that people are trying to get its gates at Atlanta, but they would love to get some of Eastern's gates at National. So it is not just one way or the other.

I think that if we get all of the players into a room, lock the door and say, "Either you come with an answer or we will," we might get some movement at that point.

One last question. In your testimony, you stated that in order to enhance its capacity, Ransome Airlines has used alternative landing sites. Could you elaborate on that?

Mr. **Ekedahl**. There is an experiment underway at National Airport where Ransome is using the short takeoff and landing DeHavilland Dash 7 aircraft with special navigational equipment, using the stub runways and using alternate approach paths. They are not queing up with the large aircraft, rather they are coming in separate and being handled altogether separately from the larger aircraft at that airport.

We have been watching the experiment closely. My understanding is—and this is done with the cooperation of the FAA—that results to date are very encouraging for everyone. This, of course, could have tremendous implications for other airports across the country with respect to this congestion problem.

Mr. **Levitas**. Mr. Filler?

Mr. **Filler**. Thank you, Mr. Chairman.

Mr. Ekedahl, you were talking about your inability to get data from FAA as to what its plans are in the future for F. & E. In reading ATA's testimony for tomorrow, I believe they are advocating something along the lines of a NASP for F. & E.—a 10-year plan for F. & E. that the FAA would have to make, similar to what they do now in the NASP.

Do you support this proposition?

Mr. **Ekedahl**. Yes, I think we could support that.

Mr. **Filler**. Following up on an earlier question that Mr. Levitas asked about the $95 million set-aside, if that were put in the bill, would you then advocate dropping the $525 million authorization that we now have for F. &. E in 1981 by $95 million to $430 million?

Mr. **Ekedahl**. Well, I am not sure, because I expect that that figure was derived not including a lot of money for the commuter airports. I do not know what that would do to the other priorities. That would be a decision for someone else to make.

In a sense, one of the advantages of having this on the ADAP side is that it does not disrupt whatever commitments or obligations that are viewed to exist within the current F. & E. budget. Dropping the F. & E. budget by $95 million is really not what we had in mind.

Mr. **Stephen**. May I elaborate a little further on that?

Mr. **Filler**. Yes.

Mr. **Stephen**. I think it is important to note that in our discussions with FAA about revising their economic criteria to give some weight to essential air transportation, their economist says that if we tilt the econometric model to recognize small-community service, that means that another piece of equipment—perhaps an ILS that should be going on a large airport—is taken away from that airport and put on the small-community airport.

Our system is designed to allow FAA, in its econometric criteria, to continue to proceed with the ongoing development of our national aviation system. I might add that two-thirds of the money that we are talking about goes into things like center computers and center radars—air traffic control type things of FAA—as opposed to airport investment items.

Our proposal would essentially close the gap on the small community airport to bring it into equivalency with all other air carrier airports, and then let the FAA economic criteria continue to build the system on an equitable basis.

Mr. **Filler**. Mr. Ekedahl, you were talking before about the $750,000 set-aside that you would like to see for commuter airports over a 5-year period. Right now, as you know, the way H.R. 6721 handles that is a $200,000 add-on to the State apportionment, and you have to compete with the general aviation airports in that State.

If we put in the guarantee that you would like, should we remove the $200,000 set-aside?

Mr. **Stephen**. In the language that we have submitted—those airports that would qualify for the $750,000 over the 5-year horizon would be counted in the State as part of the $200,000 apportioned to the State. As a result, there is separation and we have made the language consistent with what we submitted.

Mr. **Filler**. Thank you, Mr. Levitas.

Mr. **Levitas**. Counsel?

Mr. **Heymsfeld**. I would like to clarify one point. Since deregulation, what has been the overall experience of commuters in getting access to new airports, and can you distinguish between situations in which you are providing essential air service and other situations? How widespread have the problems been, and have they generally been worked out?

Mr. **Ekedahl**. Well, I do not want to create the impression that commuters at this time are being denied access to airports. On the other hand, there are individual cases that have occurred across the country.

The problem we have here, Mr. Heymsfeld, is that we cannot give you chapter and verse in terms of airports where access has been a problem, because our people are really looking to work with those airports. They almost cannot go public with the battle that is occurring in order to get access when they need the airport. They tend to work those problems out with the airports.

My own view is that it has been uneven in terms of access. We see the problem really occurring down the road as the congestion question compounds itself with the growth of the industry, as many predict. There are a couple of examples, I guess, where essential air service is compromised by access questions.

Ms. **Deegan**. I am sure you are aware of some cases where the CAB and the FAA stepped in to assure that the commuter had the access to the airport.

Mr. **Heymsfeld**. I am aware of one situation involving service from West Virginia to National Airport. Are there others?

Ms. **Deegan**. Not that I know of, but I am not going to say that there are not.

Mr. **Heymsfeld**. Thank you.

Mr. **Levitas**. Thank you very much; we appreciate your testimony and participation.

Mr. **Ekedahl**. Thank you.

Mr. **Levitas**. The next witnesses will be a panel of five: Mayor Woodie Woods of Fort Worth; Director William Coleman of the Massachusetts Port Authority; Director David Donahoe of the Department of Aviation, Allegheny County, Pittsburgh; Robert F. Bennett, Assistant Executive Director, Port Authority of New York and New Jersey; and A. L. McMillan, Assistant Director of the Department of Aviation, City of Houston.

Gentlemen, if you will come forward. We are pleased to have you with us today, and we look forward to your testimony.

Mr. **Levitas**. I would like to state for the record that Mayor Woods has been delayed in his arrival, and the Dallas-Fort Worth Airport will be represented in this panel until the mayor arrives by Al Magazine.

Gentlemen, the committee has your statements. They will all, without objection, be made a part of the record.

[Statements referred to follow:]

STATEMENT BY MAYOR WOODIE WOODS, FORT WORTH, TEX., ON BEHALF OF THE U.S. CONFERENCE OF MAYORS, FORT WORTH, TEX., DALLAS TEX., DALLAS/FORT WORTH REGIONAL AIRPORT BOARD

Honorable Chairman and Members of the Aviation Subcommittee, I appear before you today as the Mayor of Forth Worth, Texas; as a member of the Dallas/Fort Worth Regional Airport Board; and as a representative of the U.S. Conference of Mayors. In addition, I am speaking on behalf of my good friend, Mayor Bob Folsom of the City of Dallas.

I am here to speak in support of H.R. 6721, "The Airport and Airway Improvement Act of 1980," which has been introduced by your Chairman, Mr. Anderson, and by Representatives Johnson, Harsha and Snyder.

The provisions of the proposed bill have been analyzed carefully by the groups I represent, and we believe that this legislation is needed to assure the continuation of an important source of funding that is vital to the future of airport development and safety throughout this country. At the same time, it would eliminate some of the elements of the current program that have proved to be unnecessary and needlessly burdensome on local airport sponsors.

Since the Airport Development Aid Program (ADAP) was begun in 1970, more than $7 billion has been made available for airport development, safety and navigation aids, and research and development. Now, when we are experiencing significant increases in air traffic and travel, certainly is not the time to lessen our efforts to provide airport facilities that can accommodate planes and passengers in a safe and convenient manner.

Prior to 1970, the burden of financing airport improvements fell upon the general treasury and all taxpayers—whether or not they flew. With the introduction of ADAP, air travelers and other users of the aviation system, more appropriately, became the major source of funding for development and improvements.

While I believe my position in support of this proposed legislation is representative of the vast majority of cities and airport sponsors in the United States, I think I can best make our case by using our own airport. D/FW, to illustrate what has been accomplished with ADAP funds and to show why we strongly urge the continuation of this program.

Since 1966, the Dallas/Fort Worth Regional Airport Board has received almost $90 million in FAA, FAAP and ADAP grants. Of that amount, $21.5 million has been used for land acquisition and $68.5 million for construction. With these funds, we have been able to design, build and maintain one of the "safest airports in the world." This is not just a Texas brag, but an evaluation from the group that should know best—the airline pilots. We have been able to earn this safety rating even though D/FW Airport is located in an area that has an extremely high concentration of very busy airports.

We have used ADAP funds at our airport to develop a completely modern and up-to-date air traffic control system, to construct the safest possible high-speed taxiways, to provide the latest in navigational aids and, generally, to eliminate all hazards. Consequently, there have been no accidents at D/FW since it opened in 1973.

I am pleased to see that your Chairman, in offering this bill, has recognized the importance of meeting the continuing safety needs of our airports including the development and installation of the direct access beacon system which would become the backbone of a collision avoidance system.

Dallas/Fort Worth Regional Airport has been successful even beyond our expectations, and our Airport Board is hard pressed to keep up with that success. To keep pace with the increasing usage and to maintain our commitment to safety, major expansions to runways, taxiways and terminal areas are needed as soon as possible. Within the next five years, we must construct one new runway, associated taxiways, taxiway bridge and aircraft apron areas. Depending on a few variables, the costs for construction will run between $86 million and $96 million.

Post-1985 construction requirements will include an additional runway, taxiway and extension, and two new aircraft apron areas at total cost of approximately $111 million. (I am speaking, of course, in terms of today's dollar.) Therefore, we are looking at minimum requirements within the next ten to fifteen years of $200 million in construction projects which would be eligible under the current ADAP provisions. Federal participation for 75 percent of those total costs would mean $150 million would be returned to D/FW Regional Airport.

At present, we receive funds for essential development from two primary sources: (1) from the airlines and other airport users in the form of landing fees and charges, and (2) Federal ADAP grant monies that are generated in our community and returned through the Trust Fund.

Having two sources of capital funding gives us some leverage to undertake development and make improvements that are needed even when the airlines cannot agree on a project or when they simply do not want to pay for it. To deny us ADAP funds as an alternative source of funding would make it very difficult to accomplish those projects the airlines do not want to pay for. Most certainly, the public interest would not be served if we lost this "leverage."

The options that would be left to us if we do not continue to receive ADAP funding clearly are not desirable, but more importantly, in our opinion, they are not feasible. It has been suggested that the lost ADAP revenues could be recouped through increased charges to the airlines. Some even contend that this would result in a savings to the consumers.

The reality of our own situation, and that of many other airport sponsors, is that we have break-even, long-term contracts with the airlines—at D/FW they extend to the year 2002—contracts in which the airlines agree to pay variable landing fees to cover D/FW's capital and operating costs. It would be quite difficult, if not impossible, to renegotiate these long-term contracts before their normal expiration dates. And, if we had to move ahead with essential airport development and expansion without the ADAP funding by increasing the landing fees, the airlines surely would pass these higher costs on the passengers by increasing fares. Obviously, there would be no net savings to the consumers.

At this time, again on behalf of the Dallas/Fort Worth Regional Airport Board, the Cities of Fort Worth and Dallas, and the U.S. Conference of Mayors, I would like to express our strongest possible opposition to any plan that would eliminate the 72 largest municipally-owned public airports from future eligibility for ADAP funds. Such action would be comparable to the Federal government abdicating any national interest in the Interstate Highway System while continuing to fund farm-to-market roads.

These 72 airports are the hubs of our national economic system and provide the commerce that stimulates and supports our national system of airports. To drop these airports from the Trust Fund and let safety and operational developments depend solely upon negotiations with air carriers would be detrimental to the national interests and public safety.

Again to illustrate with our own situation at D/FW, our joint airport development program was initiated following an ultimatum from the CAB and FAA that our two cities cooperate or risk being cut off from all future Federal aid. We proceeded with approval of $65 million in bonds for land acquisition after assurances from the FAA that the land purchases would be eligible for reimbursement under Federal airport assistance programs. We acted in good faith, acquired the necessary land, built our airport, and to date, have been reimbursed for approximately one-half of our land costs. If major airports are eliminated from receiving ADAP funds, the cities of Dallas and Fort Worth stand to lose the remaining $35 million reimbursement, contrary to our original understanding with the FAA.

In further support of our position that Federal funding should be continued for this country's major airports, I would like to point out that currently there is a $3.25 billion uncommitted surplus in the Aviation Trust Fund, and that approximately $2.4 billion of that total was generated through taxes from the residents of the 72 metropolitan areas whose airports would be made ineligible for future safety and capacity grants if the "defederalization" proposals prevail.

In conclusion, I appreciate this opportunity to appear before you and speak in support of H.R. 6721. It is the position of the Cities of Fort Worth and Dallas, the D/FW Regional Airport Board and the U.S. Conference of Mayors that increased support is needed by the major airports of this country; that user taxes collected should be equal to outgoing Trust Fund payments; and that the present program should be streamlined to the extent possible. The bill before you provides for these improvements and has our full support.

STATEMENT OF WILLIAM C. COLEMAN, DIRECTOR OF AVIATION, MASSACHUSETTS PORT AUTHORITY

Mr. Chairman and Members of the Subcommittee, I am William C. Coleman, Director of Aviation for the Massachusetts Port Authority, the proprietor of Boston-Logan International Airport. Logan Airport is the hub airport for most of the six state New England region. It is the country's twelfth largest passenger airport, its seventh largest cargo airport, and behind New York, its best-served international gateway for Europe. In fact, with the impact if deregulation commuter operations have grown by 52 percent to the point where Logan ranks first in the country in the number of commuter carriers serving the airport and second in the destinations served by these carriers. Logan is also an airport with unique proximity to the downtown business area, but by the same token it is surrounded by dense urban residential neighborhoods creating environmental constraints which may be the most vexing in the country. And it is an airport in flux; major carriers have commenced serving our city under deregulation and at last count more than forty new domestic route applications for Boston are pending at the Civil Aeronautics Board. From this brief picture, I am sure you can appreciate our intense interest in the federal airport aid program and the form it will take in the nineteen-eighties.

I believe the bill before your subcommittee represents an extremely positive and sensitive legislative proposal in contrast to the legislation that was passed by the Senate in January.

And I do not simply say that because the House bill retains federal funding for the nation's largest airports. For, as you know, Mr. Chairman, Massport's concerns with "defederalization" have never been set in the context of our wanting to keep a stream of federal dollars flowing to Boston. Our concerns are far more fundamental, and your efforts to address those substantive issues—clearly, frankly, and decisively—warrant commendation. The fact that voices in the Senate continue to raise misplaced arguments for an unworkable restructuring of the ADAP program under the misnomer of "defederalization" make it all the more important that you continue to exercise strong and forceful leadership to preserve the basic strength of the program.

We in the airport industry have the same concern as everyone else for the importance of a balanced federal budget. We are strongly against unnecessary federal expenditure. But continued access to the trust fund that has been built up principally by our enplaning passengers in years of plenty is an important requirement for maintaining air travel safety and the ability of the airports to serve the passengers. We all know that funds from ADAP for airport purposes are going to be tighter than we would wish. But the availability, to say nothing of the cost, of airport project funding from sources other than the ADAP trust fund is even more problemmatic. This just underlines why now is not the time to embark on the unbalancing of the airport/air carrier financial structure, as the Senate seems to propose. And this is to say nothing of the importance of preserving the social, environmental and civil rights protections at all airports, especially the large airports, which David Davis of Massport raised with you in our testimony last September, and which are clearly jeopardized by the Senate bill.

Mr. Chairman, in a few brief moments, I would like to give you Massport's views on three very specific issues.

They are airport access, airport noise, and the determination of projects eligible for funding.

Let me address the issue of airport noise first.

One of the most forward-looking features of this bill is the increased funding of the noise program adopted in the Aviation Safety and Noise Abatement Act of 1979. In considering these two bills, your committee has correctly realized that land acquisition for airport capability is a good strategy, but one that cannot be applied in every community. Thus it is only proper to establish a soundproofing program as the counterpart to land acquisition in those communities where pre-existence of surrounding communities made it too late to achieve airport/neighborhood compatibility the day the airport was built. Mr. Chairman, I want to congratulate you for developing the noise compatibility program and we will work very diligently with Speaker O'Neill, Mr. Moakley, Mr. Markey, and Mr. Donnelly all of whose districts are heavily impacted by airplane noise, to develop support for this program initiative.

Second, I would like to speak to the airport access issues. "Airport access" and "airport congestion" are buzz words that cover a multitude of different problems, not just the debate over the "slot" system at a handful of high density airports. When you ask "who should make decisions, the federal government or the airport," I think not just of the timely topic of "slot committees." I also think of settings for very analogous access decision which may be as mundane (but as predictable and recurrent) as a summer thunder-squall line at one airport which can lead into a day-long back-up of the entire East Coast ATC system. Or a situation where a hypothetical community simply decides that X-dozen flights between eleven at night and six in the morning is the ceiling of its nighttime noise tolerance.

These examples illustrate even better than the debate about alternatives to the existing slot committees that good decision-making on airport/airway management issues almost always requires local airport officials and federal officials to work together. "Access" is no exception. I believe nothing will bring the system to disarray faster than federal bureaucrats pronouncing system-wide solutions to problems with inherently distinctive local dimensions; except perhaps local officials who feel free to disregard national policies. If a local airport ignores the policies of the Federal Aviation Act or the noise abatement mandate of half-a-dozen separate congressional enactments, some no federal officials should be empowered to call "time out."

Obviously, in the slot areas, the local proprietor should have first crack at determining the need for slots, the number of slots, and the mechanism for their allocation. This view finds explicit endorsement in the FAA/DOT Aviation Noise Abatement Policy, the most carefully thought out guide to the entire area. The courts have also found it to be Congress' understanding in the past, consistent with local responsibility for noise damage liability, that the airport operators' fundamental proprietory character confers "the basic right to determine the type of air service a given airport proprietor wants its facilities to provide, as well as the types of aircraft to utilize those facilities.[1] The courts have recognized, too, in the words of one decision, that "the operator will act in a rational manner in weighing the commercial benefits of proposed service against its costs, both economic and political."[2]

If the local operator fails his trust, and puts in place a slot mechanism (or any other proprietary use restriction) which is unduely burdensome to commerce or unjustly discriminatory, the courts already have power to strike that down under existing constitutional and statutory protections for interstate commerce. But perhaps it would be wise to create fall-back authority in the Secretary of Transportation, too, so that there would be the opportunity not only to strike down a bad system, but to fill the vacuum with a good one. If one has faith in federalism and is prepared to create a statutory presumption in its favor, statutory language to permit full play to both local and federal rules is not hard to draft. We have drafted for your consideration such a legislative proposal which we have submitted with our advance testimony.

Finally, we would like to offer a brief suggestion on the language of H.R. 6271. We suggest that it is inconsistent with the entitlement character of the first apportionment of ADAP funding to permit the Secretary to exercise discretion among different program goals as allowed by Sec. 8(a)(1). Congress should state in the Act the program objectives all projects must meet but the Secretary should not be allowed to elevate some purposes and diminish others in preference to the judgment that the local operator, who best knows the circumstances at that particular airport.

Second, we think the Congress should give statutory affirmation to a common sense proposition on a particular problem in airport access. The problem at a primary hub commercial service airport is that the mass transportation needs of the facility must sometimes take paramount consideration over the inclusion of non-air carrier traffic. The law has long recognized that view through court decisions. The leading case, upholding special landing fee surcharges to discourage general aviation traffic at the principal New York air carrier airports, points out that efficient utilization of airspace "plainly justifies" a distinction between large and small aircraft. But the point still can stir controversy, and Congress could do an important service to the preservation of efficiency in the air carier system by confirming the law in this regard. Again, proposed language has been submitted for your consideration.

Thank you very much. Mr. Chairman, I appreciate the opportunity you have afforded me to discuss these issues with you and I would be pleased to answer any questions you have.

[Attachment]

PROPOSED STATUTORY LANGUAGE

1. Language to add to the Federal Aviation Act Section 307 in the event that it is desired to create power in the Secretary of Transportation to implement slot allocation systems at particular airports:

"The Secretary of Transportation is authorized and directed to establish regulations under which the Secretary, after notice and hearing, may limit and allocate among airport users the number of aircraft operations at any airport at which the Secretary determines that such limitations are necessary to insure the safety of aircraft, the efficient utilization of fuel or of navigable airspace, the protection of the environment or the control of congestion in the airspace at or in the vicinity of the airport. The Secretary shall give weight in establishing such regulations to the policies expressed in this Act for the promotion of competition in air transportation and for the maintenance of essential air transportation, and for the policies expressed in the Airport and Airway Improvement Act of 1980 and the Aviation Safety and Noise Abatement Act of 1979, for minimizing noise abatement impacts associated with airport operations. Provided, however, that this section shall not preempt the authority of airport proprietors to place proprietary restrictions on the use of or operations at any airport, including limitations on the number, the type, or the time of aircraft operations. The Secretary shall consult with and assist in development of such airport proprietor restrictions at the request of the local airport proprietor, but approval of the Secretary shall not be made a condition of the effectiveness of such restrictions. The Secretary shall have the power to implement his own restrictions which shall override restrictions imposed by the local airport proprietor, but the Secretary shall exercise and impose limitations in substitution of local proprietary restrictions only after determination pursuant to notice and hearing that local proprietary restrictions are unfair, unreasonable, or unjustly discriminatory in contravention of Section 308(a)(2) of the Act."

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[1] *Air Transportation Ass'n* v. *Crotti*, 389 F. Supp. 58 (N.D. Cal. 1975).

[2] *British Airways Bd.* v. *Port Authority of New York*, 558 F. 2d 75 (2nd Cir., 1977).

2. Language to substitute for Section 8(a)(1) as introduced in H.R. 6271. This language reinforces the policy direction in favor of the aims of the 1978 Deregulation Act. But it also gives statutory affirmation to the decisions in *Airport Owners and Pilots Ass'n* v. *Port Authority*, 305 F. Supp. 93 (E.D.N.Y. 1969), and *Aircraft Owners and Pilots Ass'n* v. *Volpe*, No. 927-69 (D.D.C. May 14, 1969), cases which recognize the need to depart from "first come, first served" principles in ascertaining priorities of airport usage between different aircraft types.

"The airport to which the project relates will be available for public use on fair and reasonable terms without unjust discrimination and with reasonable access upon reasonable terms to persons engaged in air transportation, subject to classifications among users as reasonably required to promote efficiency and minimize adverse environmental impacts in utilization of airport facillities."

STATEMENT OF DAVID L. DONAHOE, DIRECTOR, DEPARTMENT OF AVIATION, GREATER PITTSBURGH INTERNATIONAL AIRPORT

Mr. Chairman and Subcommittee Members, I bring the members greetings from the Board of County Commissioners of Allegheny County, Pennsylvania along with the Board's strong support for the Airport and Airway Development Act of 1980, H.R. 6721. We applaud Committee Chairman Johnson and Subcommittee Chairman Anderson, their colleagues and staff for preparing and introducing the legislation and welcome the opportunity to share our thoughts on the history and the future of aviation facility and safety financing in the United States.

By way of introduction, Allegheny County is located in Western Pennsylvania and includes as its County seat the City of Pittsburgh. The three members of the County Commission have broad social, judicial, development and public works responsibilities for the County's 1.6 million residents as well as for certain services, such as air transportation, provided to the tri-state region including Eastern Ohio and Northern West Virginia. The population of the region is well over 5 million—our air travel population is estimated at over 25 million based on the numbers of passengers and visitors to our major facility last year.

The County currently operates two airports, the Greater Pittsburgh International Airport, the fifteenth largest commercial aviation facility in the nation and the Allegheny County Airport, a former commercial port which now serves as a safety reliever with a full time tower operation and instrument landing system. Both of these facilities fall under my jurisdiction as Director of the County's Department of Aviation.

In presenting testimony in support of H.R. 6721, I am in a unique position. Although I have been in government for twelve years I have only been in an aviation role for a little over two months. Prior to my current appointment I served as Treasurer of the City of Pittsburgh and in various other administrative and financial positions with the County government. In those capacities I have sought and administered grants, prepared legislation to initiate grants and analyzed regulations governing them. This experience was valuable inasmuch as I found in my first week as Director a requirement to advise my Board on the position it should take with respect to the renewal of airway development legislation. I have taken, I believe, an objective review of the program and the process—almost as an outsider with little direct experience. If, indeed, a change in the program was needed what better time to advocate it than at the start of our administration.

There is a tendency, of course, for government officials to want programs, particularly grant programs, to continue indefinitely. We have taken the position in Allegheny County that the effectiveness of an appropriation, as measured by performance, is the best way to evaluate whether or not a program should be continued. This evaluation becomes more critical in times of spending limitations and budget reductions but must also be viewed in terms of whether there are more practical and efficient alternatives regardless of the availability of funding. Simple statements that "we need the money" won't cut it today either with responsible elected officials or with the taxpayers or, as in the case of aviation funding, the consumers. Included in any analysis, therefore, should be considerations of cost benefit, alternative financing methods as well as the conditions, i.e., red tape, under which the program operates.

In applying this criteria to our experience with the Airway Development Aid Program (ADAP) an interesting history unfolded—one which I feel shows why the trusteeship responsibility for air safety, capacity, access and environment has been well placed in the partnership that has been created between the federal government and the local sponsors.

Unlike other major airports in the nation, Greater Pittsburgh for many years did not enjoy the dominant one carrier who supplied the financial muscle needed in the development process. In several periods the airport operated in a deficit and the County government assumed the entire risk associated with capital development and operational expenses. When Greater Pittsburgh was built on a farm in the early 1950's its nickname was "white elephant"—an albatross that the County taxpayers would be stuck with for some time.

During the 1950's and the 1960's there was minimal physical growth at the commercial facility and virtually nothing was done at the private aircraft airport. Few new carriers came our way despite the fact that traffic demands were steadily increasing and the need for expansion loomed heavily on the backs of the County whose only revenue source then, as now, was the property tax. In short, there was strong potential to develop the airport, to grow with the need, but there was no backing from the carriers and tenants.

In the late 1960's with the election of the progressive Board of County Commissioners and installation of a new airport administration, local commitments were made to aviation growth with the initial emphasis placed on improving the airside of the facility for both capacity and safety requirements including acquisition of land to provide for future development and to deal responsibly with environmental concerns. The County recognized that, because of the financial burden it was undertaking, it would have to move slowly—perhaps too slowly in terms of the carriers providing the required service.

It was at this important juncture that the initial ADAP program was authorized. Almost from the first day Allegheny County recognized the potential of this program providing the key element of stability in establishing a safe, efficient airfield as well as preparing for the growth and development that was foreseen for the 1970's. The program had the additional benefit of allowing the County to invest dollars in the reliever airport which, up until the last two years, was a financial loser but was emerging as an important safety component for aviation in all of Western Pennsylvania.

Since 1971 some $52 million in grants has been received by Allegheny county—from master planning for both airports, to a major new runway and taxiway facility to acquisition of some 8,000 acres of land designed to restrict uncontrolled development in what is an emerging area of the County and to deal responsibly with questions of air and noise pollution. As each of these important pieces was put together and as the County continued to take the risks associated with terminal and landside facilities, Greater Pittsburgh emerged as a major hub airport with what we are told is one of the finest runway capabilities in the nation.

Through this development program in which the federal government and the County forged a partnership on behalf of the consumers we were able to gain serious consideration for low cost international service as well as prepare outself for the airfield access problems associated with the surge in traffic we have seen in the last several years. Although our capacity on the land-side, that is terminal and gate capacity, is still wanting, we shudder at the thoughts of what position we would be in had the airside program not taken place prior to deregulation. Clearly our facility would have been passed by and I cannot tell you what facility in the region would have been better able to assume the load.

Only in 1977 did the County obtain its first airlines' guarantee of operations. It was achieved essentially because we had a program in place to deal with the surge in air traffic and because of the potential of the facility—in terms of land and traffic patterns—to continue its climb up the ladder of the countrys hub airports.

The trusteeship had worked—perhaps better than any other such effort in this country. More importantly, the way the ADAP program was structured the accomplishments were possible with:

Solid planning efforts by air traffic professionals; there was no "bargaining table" planning with tenants over matters of capacity, access, safety or environment.

There were no cumbersome nuisances to passengers through ill-administered and inconsistent use charges or local taxes. The burden of the program was spread to all users, those on direct flights, stop-overs, connectors. The consumer was benefiting by development of a national airway system that he could have confidence in regardless of his destination.

There was a strong commitment to the future that had as an anchor the availability of ADAP funds regardless of the cyclical turns in airline economics. Issues which airlines, as competitive businesses, are not well equipped to address such as access, competition, environment and capacity had an advocate and an advocate with a checkbook.

By applying the criteria set forth earlier in my statement I was and am firmly convinced that it is in the best interest of our county, the nation and the air traveler to support the program which is reflected in H.R. 6721. While today's cost of any development program is significant, the benefits in terms of safety alone—particularly in accenting the role of the reliever airport—cannot be measured in dollars. The alternatives of negotiating these difficult issues into airline contracts or establishing local, well administered taxes simply have not been proven realistic nor, in terms of the burden which comes with local charges, equitable. Finally, while all of us will complain from time to time about red tape and bureaucracies, the partnership that we have developed with our federal representatives has served our region well and the criteria required to participate in the program have not been a burden considering the benefits we have obtained.

There are those who feel that, while the trusteeship has worked, it is time to turn over the federal role to the commercial carriers. Some might argue that in ports such as ours where we have guaranteed contracts decisions on capacity, safety, access and environment should come to the negotiating table. Perhaps if these were some other times in the economic and aviation history of the nation, consideration of these approaches might be possible.

The fact is that we are facing a period of unparalleled growth not only because deregulation has increased traditional carrier business but also because new commuter lines are beginning to provide replacement and heretofore unknown service all over the country. At Greater Pittsburgh we enjoyed a passenger increase in 1979 of 15 percent which is 18 percent greater than the forecasted improvement under our 1978 master plan. Daily I view from my office aircraft three and four deep waiting for terminal service. Perhaps most significantly for those who have supported deregulation, our commuter traffic from all over Ohio, West Virginia, Maryland and even as far west as Indiana increased by 35 percent in 1979 and shows no sign of let up. Shuttle bus service was initiated at Greater Pittsburgh this year for commuter planes who have had to park at remote apron locations. Not a week goes by that we are not contacted by a new carrier concerning service—some are even considering scheduled service from our reliever airport.

We have taken action to provide for further expansion. Work is underway to develop a new terminal capability which will not only provide better passenger service and comfort but will open our airport to carriers never in our market while at the same time reducing fuel consumption by reducing, in some cases by one-half, the taxi distance to the docking areas.

The plans that we have to move us to the end of this century and beyond have always assumed that the ADAP anchor would be in place. While the County is committed to its share of the risk and the commercial carriers will be asked to assume theirs, some predictable funding mechanism to add the passengers commitment is needed. Cost projections have become outdated before they can be written down but it is clear to me and to our Board that the potential of our development program and our ability to serve as a regional hub would be greatly diminished if not eliminated with the end of the trust fund. We would be hard pressed to continue opening our doors to new competitive service and our land acquisition and environmental control program may come to a deafening halt.

I am sure in your days of testimony you have heard and will hear all of the technical arguments for continuance of the ADAP program. I would suggest to the committee that, based on a fresh, objective review of the performance, common sense argues for its renewal at this time. History has shown that the program has served the nation's air travelers well as it certainly has in Pittsburgh. Just as the nation did not negotiate with the trucking industry or motorists to build the finest interstate highway system and just as we did not negotiate with the commuters in investing in mass rapid transit neither should we turn over to a bargaining table grantsmen a role in aviation safety, capacity, access and environment.

Policy implications aside, the burden faced by air carriers with uncontrollable fuel costs chasing every additional passenger dollar would appear to us to mitigate against relinquishing to them the trusteeship for aviation safety and access.

From our side we pledge to the Congress to carry out our end of the trustee role:

To continue well planned and financed development.

To expand the accerss capacity to our field and promote competition.

To work closely with the FAA on installation of the latest safety and security devices.

To carry out our responsibility to treat our neighbors at the airport fairly and responsibly.

To keep our reliever airport in top condition and attract private traffic to it.

We in Allegheny County urge your committee to consider the testimony given at the hearings along with suggestions from the Operators Council for specific bill changes. We further hope that quick action will be taken so that our mutual effort in this dynamic field will go on uninterrupted.

Thank you.

STATEMENT OF ROBERT F. BENNETT, ASSISTANT EXECUTIVE DIRECTOR, THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Mr. Chairman, I am Robert F. Bennett, Assistant Executive Director of the Port Authority of New York and New Jersey. I appreciate the opportunity to appear before the Subcommittee to express the views of the Port Authority on this important aviation legislation.

The Port Authority of New York and New Jersey operates John F. Kennedy International Airport, La Guardia Airport, and Newark International Airport, serving a tri-state region with a population of 18.6 million people. Approximately 200,000 jobs result directly and indirectly from these airports' activities. It is estimated that the air transportation industry provides $5 billion annually in the region in the form of salaries, wages, and the purchase of goods and services needed for the operation of these major airports.

Last year, these three airports served 54 million passengers, representing approximately 8 percent of the nation's total domestic traffic and 40 percent of the nation's international traffic. That passenger traffic is expected to increase by 50 percent in 1990. In order to accommodate that growth, substantial improvements must be made to increase airport capacity and to enhance safety of aircraft ground movements. The estimated capital investment for the on-airport development at the three airports is $800 million for this decade. Federal funds must be provided to assist in financing that huge investment. I do not intend to repeat the views you have already heard or to burden the record with testimony as to details of the legislation except to note that the Port Authority supports House Bill 6721, which provides for a continuation of ADAP funds for all airports, including the medium and large hubs. Because the need of funds is so great, the Port Authority supports a greater increase in the enplanement formula for sponsor apportionments, as recommended by AOCI, in order to compensate for the effects of inflation, an element of cost which was not provided for under the current five-year legislation.

There is, however another matter of great concern to the Port Authority which will, I believe, also be of concern to other major airports. The means of getting to and from Kennedy International Airport and La Guardia Airport by ground transportation have already been overextended. Their practical capacity, that is, the amount of flow which can be achieved while maintaining reasonable operating conditions, has regularly been exceeded as demonstratd by heavy congestion of the roads during peak periods. This congestion greatly increases energy use and air pollution, in addition to increasing operating costs and increasing stress levels for drivers and passengers. Kennedy International Airport has a practical access capacity of 23 million passengers yet it handled 27 million passengers in 1979. During peak hours, the heavy traffic caused stop and go conditions with cars bumper to bumper creating back up extending for miles and continuing for hours. In summer peaks when recreational traffic combines with commuter, airport, and other traffic, this congestion has reached intolerable limits. La Guardia Airport with a practical access capacity of 15.5 million passengerss handled over 18 million passengers in 1979 with traffic on Grand Central Parkway, the primary access highway virtually at a standstill for hours. Unless improvements are made to increase ground access capacity, the congestion will worsen, eventually limiting passenger growth despite the capacity of the airports themselves to handle the increase. Even Newark International Airport, which presently has substantial reserve capacity in its access systems, will need expanded access capacity by 1990.

The need to improve ground access systems to airports throughout the nation was acknowledged by Congress as early as 1977. The Senate Committee on Appropriations in its Report No. 95-268 dated June 14, 1977, directed the FAA to undertake a comprehensive study on the constraints imposed on air travel by inadequate ground access. The FAA and the Transportation Systems Center of U.S.D.O.T. prepared case studies of 16 commercial airports of various sizes and locales, including Kennedy International, La Guardia, and Newark International Airports. The study concluded that 13 of those airports, including Kennedy International and La Guardia Airports were already experiencing ground access capacity limitations causing excessive delay to the air traveler.

Another study of the ground access systems to airports in our Region was sponsored by the Tri-State Regional Planning Commission. The study, funded in part by a planning grant from the FAA, was completed in 1978. That study also confirmed the existing access constraints to Kennedy International and La Guardia Airports, and eventually Newark International Airport.

Accordingly, improvements must be made to the ground access systems to assure that the increasing number of passengers who wish to use the airports and who can be accommodated at them can get to them.

The Port Authority under an FAA planning grant, sponsored a survey of passengers using its airports throughout 1978 to learn the transportation modes used for ground access. Based on preliminary results, the survey showed that 83 percent of all passengers arriving at the airport by surface transportation used private auto, taxi, or rental car and 17 percent used high occupancy vehicles such as buses, limousines, or rail. Virtually all of the passengers in private auto or commercial transportation used the public highway system. Therefore, access highways must be improved. The Port Authority has identified the most necessary highway improvements and is pursuing the implementation of such improvements with the appropriate agencies.

In view of the energy shortage, the Port Authority is concentrating its efforts on improvements to transportation systems which employ high occupancy vehicles. Hopefully, these improvements will provide a significant reduction in the use of low occupancy vehicles. Accordingly, the Port Authority is evaluating energy-efficient transportation systems such as improved mass transportation system links to airports, paved right-of-way for exclusive use of high occupancy vehicles, automated people mover systems, and satellite air terminals remote from the airport with energy efficient links, including special airport buses.

Unfortunately, the cost of such improvements run very high. The estimated capital costs of such improvements to the Port Authority's three airports could approach $500 million over the next ten years. Federal funding assistance is necessary to assure that the improvements will be made.

It is acknowledged that some of these projects are eligible for funds under present federal programs such as UMTA and FHWA. However, the funds available to such federal programs are already inadequate to cover the local priority needs of the municipal and other jurisdictional agencies for projects such as highway bridge repairs, road improvements, capital and operating assistance for the local transportation systems and the regional transportation network. Therefore, a new federal funding source must be provided for these essential ground access improvements.

Today, our three major airports are accessible via a variety of bus, limousine, and rail services. There is a dedicated airport coach service from the East Side Airlines Terminal to both Kennedy International and La Guardia Airports, and an express public bus service from the Port Authority Bus Terminal. Newark International Airport also is accessible from Lower Manhattan via the PATH rapid transit line to Newark where transfer is made to Airlink vans to the passenger terminals. Limousine services provide public transportation links between the airports and numerous suburban locations as well as Manhattan.

Some improvements to encourage greater use of mass transit systems to airports have already been initiated on an experimental basis. The New York Metropolitan Transportation Authority is operating an exclusive rapid transit service (JFK Express) from Manhattan and downtown Brooklyn to Kennedy International Airport. Passengers can board modern, air-conditioned trains at any of eight stations and be transported directly to the airport boundary where connecting buses take them to the passenger terminals. This service which was initiated in September, 1978, has handled 1.3 million passengers through February, 1980. This positive response to transit improvements warrants serious consideration of additional capital investment to further improve the service and divert more passengers from the private auto and other less energy efficient vehicles.

Another important improvvement is being provided by the Port Authority at its Midtown Bus Terminal in Manhattan. As part of the expansion and modernization of that facility, the Port Authority will provide an exclusive elevator and waiting area for air passengers using an express bus service to Newark International Airport. It is anticipated that this convenient and comfortable airport ground access system will encourage greater use of buses in place of low occupancy vehicles.

It is acknowledged that ground access improvements are necessary to enable the airports to attain the utilization needed to meet the anticipated growth in air passengers and promote the economy of the Region. Therefore, the Port Authority suggests that such improvements be funded under ADAP and that a portion of the $3.5 billion surplus in the Aviation Trust Fund be dedicated to such use. It is noted that the receipts from the ticket tax from passengers using the region's airports comprise a substantial part of the revenues of the Aviation Trust Fund. For the past year alone, it is estimated that such receipts from the region's passengers exceeded $120 million, an amount far greater than the $15.4 million of funds allocated to these airports by the enplanement formula. Surely, these passengers are entitled to improvements which would enable them to get to and from the airports within a reasonable time. It is important, however, that ground access projects not compete for the same funds as on-airport development. Therefore, a separate funding authorization should be provided for airport-related energy saving ground access systems to and from airports.

STATEMENT OF THE CITY OF HOUSTON DEPARTMENT OF AVIATION, BY A. L. McMILLAN, FINANCE DIRECTOR, AND SYLVIA A. DE LEON, AKIN, GUMP, HAUER & FELD, WASHINGTON COUNSEL FOR THE CITY OF HOUSTON

Mr. Chairman and Members of the Subcommittee, my name is Sylvia de Leon and I am an attorney associated with the law firm of Akin, Gump, Hauer & Feld and serve as the Washington counsel for the City of Houston. I am accompanied by Mr. A. L. McMillan, the financial director of the City's Aviation Department. The City of Houston, and its Department of Aviation, is pleased to have this opportunity to participate in the Subcommittee's consideration of H.R. 6721, the "Airport and Airway Improvement Act of 1980". As you know, we appeared before this Subcommittee during hearings held last session on the Airport Development Assistance Program (ADAP). At that time we expressed our concern that the approach taken by the Senate in its reauthorization of the ADAP program would severely impair the development of a safe and efficient national air transport system. We are impressed with the careful deliberation this Subcommittee has given to the problems which face Houston and the other cities of the United States, and enthusiastrically offer our support of the legislation currently before the Subcommittee. The City of Houston commends the Chairman for introducing a fine bill which, if enacted, would solve many of the problems we raised during our appearance before this Subcommittee last September.

We strongly support H.R. 6721 and the stance which this Subcommittee has taken on the underlying issue of these hearings—defederalization of the nation's 72 largest airports. H.R. 6721 fully rejects the ill-conceived notion of defederalization and also provides the increased funding which is necessary to partially offset the sharp increase in construction costs which has occurred since ADAP was first enacted. Several other provisions of H.R. 6721 also merit special praise, including the creation of a separate fund for noise/land use compatibility planning, and the continuation of the existing Federal/local ADAP financing relationship.

While we wholeheartedly support passage of H.R. 6721, we also request the Subcommittee to consider several minor amendments which we believe would improve this noteworthy legislation. First, however, we would like to outline for the Subcommittee the situation which faces Houston's two airport facilities, Houston Intercontinental Airport and William P. Hobby Airport. We believe that the circumstances in Houston are representative of those of many of the nation's growing airports. A study of Houston's airports demonstrates the difficulties which changes in the Airport Development Assistance Program would pose for airports which critically need federal assistance to make the adjustments necessitated by the Airline Deregulation Act of 1978.

BACKGROUND

The City of Houston owns and, through its Department of Aviation, administers two major airport facilities—William P. Hobby Airport, a medium hub airport, and Houston Intercontinental Airport, a large hub airport. In passenger enplanements, Houston Intercontinental ranks 15th in the country and Hobby ranks 33rd. These facilities provide domestic and international air transportation services to millions of passengers each year.

The City of Houston is the fifth largest city in the country and the Houston metropolitan area is the leading growth center in the nation. Historically, route authorizations by the CAB have not adequately reflected the huge demand for air service to Houston. Now, however, with deregulation and the elimination of licensing barriers, new carriers have ventured into the Houston market and incumbent carriers have substantially increased their services. Since 1978, Houston has four new certificated carriers and four new commuters serving the City. Two additional carriers have been added since the end of last year. Traffic also has grown enormously at both airports. Houston Intercontinental's passenger traffic has increased by 15.8 percent over the previous year while scheduled arrivals and departures have increased 12.5 percent over the prior year. In July, passenger traffic at Hobby increased by 59.3 percent over the July 1978 levels and scheduled arrivals and departures at Hobby leaped by almost 75 percent over 1978 figures.

The increase in services, carriers, passengers and cargo has stretched Houston's airport facilities to the limit of their capacity. Over the next five years, we anticipate capital improvement projects totaling over $450 million, all of which are critically needed to handle current and conservatively projected future needs at both of the City's airports.

The need for federal participation in the funding of these essential capital improvements is clear. We estimate that between one-third and one-half of the projected capital costs are ADAP eligible under current law, 75 percent (or approximately $160 to $170 million) of which would be subject to funding by the Federal government. The critical role of this federal assistance is underscored by the fact that economic incentives for air carriers to underwrite such costs simply do not exist. It appears that most airports throughout the country, except those mature airports that have relatively limited growth requirements and objectives, will be unable to keep pace with increases in traffic and service, which have been created by deregulation of the industry and by local economic growth, without Federal airport development support.

DEREGULATION INCREASES THE NEED FOR FEDERAL ASSISTANCE

The success of deregulation will depend on the ability of carriers to quickly adjust their operations to the demands of the market for air transportation. The current Airport Development Assistance Program provides the nation's airports with the assistance needed to expand their facilities and to improve the safety of their operations. We cannot overemphasize the deleterious effect of any reduction in federal assistance at this time. Such a reduction would impede or delay airport development and thus hamper the competitive environment which the Airline Deregulation Act of 1978 sought to create. A review of Houston's situation amply demonstrates the conflict between the objectives of deregulation and defederalization.

Like many airports throughout the country, Houston has long-term contracts with the airlines serving the City. Houston's contracts expire in 1997. The carriers which were established in the market before deregulation have leased or committed to leasing the space needed to meet their present and projected needs. All of the terminal facilities at both airports are thus committed. New carriers must sub-lease space from incumbent tenants.

To meet the demand for terminal space, the City is constructing new terminal facilities. We anticipate that allocation of 60 percent of the entitlement funds available to the City will be used to assist in the financing of these terminal projects. Without ADAP funding, the economic feasibility of these projects would be severely threatened, for we doubt such large capital commitments could be underwritten by renegotiated contracts with the airlines.

First, it is obvious that there is no incentive for incumbents to agree to finance major capital improvements that substantially increase airport operating costs, since the projected expansion primarily benefits their new entrant competitors. Rather, they have every incentive to impede entrance into the market by protecting the status quo. Second, we have found that carriers beginning service to Houston or attempting to expand their operations are wary of underwriting the high costs of capital improvements when, in a highly competitive environment, their newly instituted services may be of limited duration. This presents an airport with tremendous insecurity with regard to the financing of airport improvements. Deregulation coupled with defederalization would place severe constraints on competition nationwide, undercutting the very foundation of the Airline Deregulation Act.

We offer another illustration of the problem: Houston is considering the construction of a long-awaited 10,000 foot parallel runway to be built sometime between 1987 and 1990 at a cost of over $100 million. If H.R. 6721 is enacted into law, 80 percent of the cost will be financed by the Aviation Trust Fund. Without ADAP funding the cost must be completely financed by the proceeds of renegotiation of fees on carriers. This would necessitate an increase in landing fees from the current 40 cents per thousand pounds to as much as $1.40 per thousand pounds.

Even if this increased cost could be offset by higher fares, incumbent carriers whose long-term facility requirements are secure would have little economic incentive to agree to participate in projects that will enhance competition against them. The result would be no new terminal facilities, no necessary improvements of airfield facilities, and a tendency towards a strong competitive advantage for incumbent carriers. This also would undermine the purpose of the Airline Deregulation Act.

This Subcommittee has wisely recognized that deregulation makes it imperative that ADAP adequately fund improvements at all the nation's airports, including the large and medium size hubs. Federal funding also is necessary to allow growing airports such as Houston's to achieve an equal footing with mature airports that have completed their long-term federally financed airport development.

SPECIFIC PROVISIONS OF H.R. 6721 OF CONCERN TO THE CITY OF HOUSTON

Now we would like to address several specific provisions of H.R. 6721 which are of particular interest to the City of Houston. The City especially is encouraged that the bill maintains the existing Federal/local ADAP financing relationship. We do not believe that State administration of ADAP would be an efficient or effective way to promote the development of an integrated national air transport system. In addition, it is likely that delegation of funding authority to the States would require, at a minimum, Federal monitoring of ADAP disbursements. The creation of such a dual administration actually could increase the administrative burden of the program.

As regards program funding, we do question the change in language proposed by H.R. 6721 which would set funding maximums rather than establish minimum funding levels. We urge the Subcommittee to maintain the existing language in the current statute which would propose a funding level of "not less than" $865 million for fiscal year 1981.

During our testimony before this Subcommittee last fall we urged that no limitations be placed on the use of ADAP funds. The current requirements for project approval are adequate to ensure appropriate use of airport development funds while allowing the flexibility necessary to meet unique local needs. We fear that the vague language of section 8(b)(1(A), which states that, "No project grant application may be approved by the Secretary unless the Secretary is satisfied that the project is consistent with the objectives of this Act" would impair this flexibility. This language should be clarified.

With respect to the use of funds apportioned to sponsors of primary airports, it is the City's position that the sponsor should have the freedom to select and designate particular projects to be accomplished by the use of such funds, subject only to the general limitations of ADAP as to work eligible for and subject to federal participation.

As a sponsor, the City assumes responsibility over the economic welfare of our airports. The tenant-carriers, who pay only a compensatory landing fee or building space rental rate under the Airport Use and Lease Agreement for only that portion of the facilities which they actually use, tend to focus only on their own particular needs. Thus, carriers prefer to see every cent of ADAP funds go into the airfield cost center because, under law, ADAP funds are excluded from the fee and rate calculation. In planning Terminal "C", however, the City of Houston has found it necessary to utilize the maximum allowable ADAP funding for public space in the new terminal in order to have an economically viable project. Planning currently in progress for a new, additional unit terminal, to be known as Terminal D, may require similar economic support. If optimum balance between airside and landside facilities is to be maintained in the nation's air transport system, sponsors must maintain discretionary use of enplanement funds.

Section 10(a) (1) and (2) of the bill is similar to section 18 of the Airport and Airway Development Act of 1970. The City supports this provision and has not found implementing regulation of this Section to be unduly restrictive. However, the words "substantially comparable rates, fees, rentals and other charges . . ." must be interpreted to recognize greatly different capital investment bases (for example, per square foot) in facilities constructed long ago when compared to recent major expansions, or construction of new unit terminals. Houston has two unit terminals, designated "A" and "B", which were constructed in the late 1960's. A new unit Terminal "C" is now under construction at a capital cost of about twice as much per square foot as for Terminals "A" and "B". The Houston Airport Use and Lease Agreement requires air carrier tenants to pay compensatory rental rates sufficient to provide for a capital cost recovery factor and a factor for reimbursement of maintenance and operating expenses. Compensatory rental rates in Terminal "C" will be higher in dollars per square foot ($23 to $25 versus $16 to $18, estimated for 1981) in recognition of the increased capital investment, although they are derived philosophically and arithmetically from the same formula. Thus, although rental rates would not be comparable in absolute dollars, in terms of the derivation of rates, they are essentially identical. We do not believe that the rate differential charged for the use of new facilities could be considered discriminatory. Therefore, it is the City's position that the principle of recovery of investment through rates and charges should be protected by suitable language.

CONCLUSION

The City of Houston offers its enthusiastic support of H.R. 6721, and is committed to efforts towards final passage of this legislation.

In view of the Senate's passage of S. 1648, and that bill's defederalization provisions, we cannot overemphasize the importance of a strong House bill. Senate passage of S. 1648 seriously complicates final consideration of the Airport Development Assistance Program's reauthorization. The Senate action was most unfortunate and the City of Houston remains disappointed in the Senate vote. However, along with many of the other largest cities in the country, we are now looking to the House, and in particular to the members of this Subcommittee, to rectify this unfortunate and illadvised action. The strong position against defederalization taken by this Subcommittee hopefully will lead to a Conference Report which will enhance the nation's air transport system.

We would like to take this opportunity to remind the Subcommittee that if any of the nation's airports are excluded from participation in ADAP, it is unlikely that the funding lost could be recouped from the airline industry. In this event, alternative funds must be established. The City of Houston believes that passenger user charges, or a head tax, might provide this alternate mechanism. Parenthetically, we suggest that the Subcommittee carefully examine such alternatives before final Conference deliberations with the Senate.

Finally, we emphasize that the Airport and Airway Trust has provided an effective means for developing an efficient and safe air transport system for this country. The Trust Fund has accomplished this without direct imposition on the general taxpayer or the United States Treasury. In these times of severe austerity and major budget reductions in domestic programs, ADAP is certainly one of the federal programs which seriously merits an increase in funding. We urge the passage of H.R. 6721, and the continuation of reasonable funding levels in the Airport Development Assistance Program.

On behalf of the City, thank you for the opportunity to express our views on H.R. 6721. Mr. McMillan and I would be happy to answer any questions now or to supply the Subcommittee with further information for the record.

Mr. LEVITAS. You may proceed as you so desire. Why do we not start with Mr. Magazine; do you want to present the statement on behalf of Mayor Woods, or would you rather wait?

Mr. MAGAZINE. I would rather wait, sir.

Mr. LEVITAS. OK. Let us go to Mr. Coleman, then.

TESTIMONY OF A PANEL CONSISTING OF: WILLIAM C. COLEMAN, DIRECTOR OF AVIATION, MASSACHUSETTS PORT AUTHORITY; HON. WOODIE WOODS, MAYOR, CITY OF FORT WORTH, TEX., ON BEHALF OF THE U.S. CONFERENCE OF MAYORS, THE DALLAS-FORT WORTH REGIONAL AIRPORT BOARD; AND BOB FOLSOM, MAYOR, CITY OF DALLAS, TEX., ACCOMPANIED BY AL MAGAZINE, DALLAS-FORT WORTH AIRPORT; DAVID L. DONAHOE, DIRECTOR, DEPARTMENT OF AVIATION, GREATER PITTSBURGH INTERNATIONAL AIRPORT; ROBERT F. BENNETT, ASSISTANT EXECUTIVE DIRECTOR, PORT AUTHORITY OF NEW YORK AND NEW JERSEY; AND A. L. McMILLAN, FINANCE DIRECTOR, DEPARTMENT OF AVIATION, CITY OF HOUSTON, TEX., ACCOMPANIED BY SYLVIA A. De LEON, WASHINGTON COUNSEL FOR THE CITY OF HOUSTON, TEX.

Mr. COLEMAN. Thank you. Mr. Chairman and members of the subcommittee, I am William C. Coleman, director of aviation for the Massachusetts Port Authority, the proprietor of Boston-Logan International Airport. Logan Airport is the hub airport for most of the six-state New England region. It is the country's 12th largest passenger airport, its 7th largest cargo airport and, behind New York, its best-served international gateway for Europe. In fact, with the impact of deregulation, commuter operations have grown by 52 percent, to the point where Logan ranks first in the country in the number of commuter carriers serving the airport and second in the destinations served by these carriers.

Logan is also an airport with unique proximity to the downtown business area, but, by the same token, it is surrounded by dense urban residential neighborhoods, creating environmental constraints which may be the most vexing in the country. And it is an airport in flux; major carriers have commenced serving our city under deregulation, and at last count, more than 40 new domestic route applications for Boston are pending at the CAB.

From this brief picture, I am sure you can appreciate our intense interest in the Federal airport aid program and the form it will take in the 1980's.

I believe the bill before your subcommittee represents an extremely positive and sensitive legislative proposal in contrast to the legislation that was passed by the Senate in January. I do not simply say that because the House bill retains Federal funding for the Nation's largest airports, for, as you know, Massport's concerns with defederalization have never been set in the context of our wanting to keep a stream of Federal dollars flowing to Boston. Our concerns are far more fundamental, and your efforts to address those substantive issues—clearly, frankly, and decisively—warrant commendation.

The fact that voices in the Senate continue to raise misplaced arguments for an unworkable restructuring of the ADAP program under the misnomer of defederalization make it all the more important that you continue to exercise strong and forceful leadership to preserve the basic strength of the program.

We in the airport industry have the same concern as everyone else for the importance of a balanced Federal budget. We are strongly against unnecessary Federal expenditure, but continued access to the trust fund that has been built up principally by our enplaning passengers in years of plenty is an important requirement for maintaining air travel safety and the ability of the airports to serve the passengers.

We all know that ADAP funds are going to be tighter than we would wish, but the availability, to say nothing of the cost, of airport funding from sources other than the ADAP trust fund is even more problematic. This just underlines why now is not the time to embark on the unbalancing of the airport/air carrier financial structure, as the Senate seems to propose.

And this is to say nothing of the importance of preserving the social, environmental, and civil rights protections at all airports, especially the large airports—an issue which David Davis of Massport raised with you in our testimony last September and one which is clearly jeopardized by the Senate bill.

Mr. Chairman, in a few brief moments I would like to give you Massport's views on three very specific issues. They are airport noise, airport access, and the determination of projects eligible for funding. Let me address the issue of airport noise first.

One of the most forward-looking features of this bill is the increased funding of the noise program adopted in the Aviation Safety and Noise Abatement Act of 1979. In considering these two bills, your Committee has correctly realized that land acquisition for airport compatability is a good strategy, but one that cannot be applied in every community.

Thus, it is only proper to establish a soundproofing program as the counterpart to land acquisition in those areas where preexistence of surrounding communities made it too late to achieve airport/neighborhood compatability the day the airport was built.

Mr. Chairman, I want to congratulate you for developing the noise compatability program, and we will work very diligently with Speaker O'Neill, Mr. Moakley, Mr. Markey, and Mr. Donnelly, all of whose districts are heavily impacted by airplane noise, to develop support for this program initiative.

Second, I would like to speak to the airport access issue. Airport access and airport congestion are buzz words that cover a multitude of different problems, not just the debate over the slot system at a handful of high-density airports.

When you ask: "Who should make decisions, the Federal Government or the airport," I think not just of the timely topic of slot committees. I also think of settings for access decisions which may be as mundane, but as predictable and recurrent as a thundersquall line at one airport which can lead into a daylong backup of the entire east coast ATC system, or a situation where a hypothetical community simply decides that *x* dozen flights between 11 at night and 6 in the morning is the ceiling of its nighttime noise tolerance.

These examples illustrate even better than the debate about alternatives to the existing slot committees that good decisionmaking on airport/airway management issues almost always requires local airport officials and Federal officials to work together. Access is no exception. I believe nothing will bring the system to disarray faster than Federal bureaucrats pronouncing systemwide solutions to problems with inherently distinctive local dimensions, except perhaps local officials who feel free to disregard national policies. Of course, if a local airport ignores the policies of the Federal Aviation Act or the noise abatement mandate of half a dozen separate congressional enactments, some Federal officials should be empowered to call time out.

Obviously, in the slot areas, the local proprietor should have first crack at determining the need for slots, the number of slots, and the mechanism for their allocation. This view finds explicit endorsement in the FAA/DOT aviation noise abatement policy, the most carefully thought out guide to the entire area. The courts have also found it to be:

> Congress understanding in the past, consistent with local responsibility for noise damage liability, that the airport operators' fundamental proprietory character confers the basic right to determine the type of air service a given airport proprietor wants its facilities to provide, as well as the types of aircraft to utilize those facilities.

The courts have recognized, too, in the words of one decision,

> that the operator will act in a rational manner in weighing the commercial benefits of proposed service against its costs, both economic and political.

If the local operator fails his trust, and puts in place a slot mechanism or any other proprietary use restriction which is unduly burdensome to commerce or unjustly discriminatory, the courts already have power to strike that down under existing constitutional and statutory protections for interstate commerce. But perhaps it would be wise to create a fall-back authority in the Secretary of Transportation, too, so that there would be the opportunity not only to strike down a bad system, but to fill the vacuum with a good one. If one has faith in federalism and is prepared to create a statutory presumption in its favor, statutory language to permit full play to both local and Federal rules is not hard to draft. We have drafted for your consideration such a legislative proposal, which we have submitted with our advance testimony.

Finally, we would like to offer a brief suggestion on the language of H.R. 6271. We suggest that it is inconsistent with the entitlement character of the first apportionment of ADAP funding to permit the Secretary to exercise discretion among different program goals as allowed by section 8(a)(1). Therefore, Congress should state in the act the program objectives all projects must meet, but the Secretary should not be allowed to elevate some purposes and diminish others in preference to the judgment of the local operator who best knows the circumstances at that particular airport.

Second, we think the Congress should give statutory affirmation to a commonsense proposition on a particular problem in airport access. The problem at a primary hub commercial service airport is that the mass transportation needs of the facility must sometimes take paramount consideration over those of nonair carrier traffic. The law has long recognized that view through court decisions. The leading case, upholding special landing fee surcharges to discourage general aviation traffic at the principal New York air carrier airports, points out that efficient utilization of airspace: "plainly justifies" a distinction between large and small aircraft. But the point still can stir controversy, and Congress could do an important service to the preservation of efficiency in the air carrier system by confirming the law in this regard. Again, proposed language has been submitted for your consideration.

Thank you very much. I appreciate the opportunity you have afforded me to discuss these issues with you, and I would be pleased to answer any questions you have either now or at the end of the panel presentation.

Mr. LEVITAS. Thank you, Mr. Coleman. We are going to put questions to the panel as a group at the conclusion of the presentation of testimony of each of the panelists. However, since I may not be here at that time because I have another meeting I have to be at shortly, I would like to ask each of the panelists at some point to respond or make comments on the proposal which I outlined briefly in my questions to Mr. Ekedahl on the question of access as a proposal for an initial approach to dealing with this matter. It would be very helpful to me and to the subcommittee to have that in the record.

Having said that, I see that Mayor Woodie Woods is now here. We are glad to have you here, mayor, and look forward to your testimony. We have your testimony and it will be made a part of the record, without objection. You can proceed as you so desire.

Mayor WOODS. Honorable Chairman and members of the Aviation Committee, I appear here before you today as the mayor of Fort Worth, Tex., as a member of the Dallas-Fort Worth Regional Airport Board, and as a representative of the U.S. Conference of

Mayors. In addition, I am speaking in behalf of Mayor Robert Folsom of the city of Dallas.

I am here to speak in support of H.R. 6721, the Airport and Airway Improvement Act of 1980, which has been introduced by your chairman, Mr. Anderson, and by Representatives Johnson, Harsha, and Snyder.

The provisions of the proposed bill have been analyzed carefully by the groups I represent, and we believe that this legislation is needed to assure the continuation of an important source of funding that is vital to the future of airport development and safety throughout this country. At the same time, it would eliminate some of the elements of the current program that have proved to be unnecessary and needlessly burdensome on local airport sponsors.

Since the airport development aid program began in 1970, more than $7 billion has been made available for airport development, safety and navigation aids, and research and development. Now, when we are experiencing significant increases in air traffic and travel, certainly is not the time to lessen our efforts to provide airport facilities that can accommodate planes and passengers in a safe and convenient manner.

Prior to 1970, the burden of financing airport improvements fell upon the general treasury of all taxpayers, whether or not they flew. With the introduction of ADAP, air travelers and other users of the aviation system more appropriately became the major source of funding for development and improvements.

While I believe my position in support of this proposed legislation is representative of the vast majority of cities and airport sponsors in the United States, I think I can best make our case by using our own airport, D-FW, to illustrate what has been accomplished with ADAP funds and to show why we strongly urge the continuation of the program.

I am not going to read all this to you; it is quite lengthy. I have made a few notes. Dallas-Fort Worth Airport has grown beyond expectations. It provides thousands of permanent jobs for people in the area. In less than a decade, Dallas-Fort Worth Airport has become one of the largest and safest airports in the world.

It serves some 30 cities in the metroplex ranging in size from 30,000 to 875,000. It is geographically located in the center of the Nation. The seed money in this airport has triggered hundreds of millions of dollars from the private sector. The facility was catapulted into existence by funding at the local level, which has received annual reimbursements from ADAP. These dollars from ADAP have made it possible for this facility to grow.

It has reached about one-fourth of its potential size, and construction is continuing at a rapid pace. The airport can be compared to the UDAG—urban development action grant—program, where a relatively small public investment is the catalyst that builds an economic empire in a community.

The ADAP assistance to the airports is one of the most effective ways the Federal Government can provide jobs for a community. This type of assistance to local government provides permanent jobs for people at home instead of some type of temporary job that provides no future.

All cities are in a low-budget posture without a means of getting additional money for public service. Our people are clamoring for further tax reductions, and the cities of Fort Worth and Dallas would be hard-pressed to pick up the tab at the airport.

I think it would be a great mistake to jerk the rug from under these airports. The stability of this facility directly affects the lives of 2.2 million people in the metroplex area.

That concludes my presentation, and I appreciate the opportunity to be here. I do have an expert with me to answer questions.

Mr. **Levitas**. Thank you very much, Mayor. We are going to put questions to the panel as a group at the conclusion, but if you would like to have somebody with you, invite him up and draw up a chair.

The next panelist is David L. Donahoe, the director of the Department of Aviation of Allegheny County.

Mr. **Donahoe**. Thank you very much, Mr. Chairman. On behalf of the Board of County Commissioners of Allegheny County, which is the governing body to which I am responsible, I thank you for allowing us to come and submit this testimony, which I will not read today. I would rather give a short summary of it and permit the committee to ask questions.

The county of Allegheny is responsible for the operation of the Greater Pittsburgh International Airport, which is the 15th busiest commercial airport in the country, and also for the Allegheny County Airport, which is a major reliever, general-aviation facility.

While our county only has 1.6 million people and the responsibilities of the county commissioners for certain services only extend to those 1.6 million, a function such as aviation is now serving a tristate region, including eastern Ohio and northern West Virginia. We have become not only a hub airport, but a major regional center.

Because of the growth of our principal tenant and the connecting system that they have built, Pittsburgh has become recognized as a major connecting facility that is serving not only the Eastern United States, but to some extent the Midwest.

I am in somewhat of a unique position, I suppose, Mr. Chairman, in that I have only been in my position for 2 months. While I have had extensive experience in municipal government—some 12 years, and most recently as treasurer and financial officer of the city of Pittsburgh—a good bit of the aviation side of Government is new to me.

I have been forced, therefore, to make a rather quick study, but I hope a thorough one, of the program that we are speaking of this morning—not only the Airway Development Act, but the ADAP program, which we have, obviously, a great interest in.

I was asked by my board to provide them with an analysis and to present a position for them to take with respect to this legislation. Looking through that analysis, we looked at the typical things you would look at in any government program—cost-benefit, the alternative means that might be available for financing projects, and the program operations; how difficult is it to deal with the program, how difficult does the redtape become.

In addition to those criteria, however, we had to look at this program with some special goals that Congress must have had in mind when it passed it; that is, to provide a certain trusteeship for someone to look at problems of safety, capacity, access and environment, and to guarantee that someone would have an incentive, through the trust fund arrangement, to give attention to those problems.

Beyond that, we have to look at the program in terms of the recent policy expressions of the United States, in terms of providing competitive service, access to the commuter airlines, and so on. All of these things played into our analysis, and it came out in favor of continuing the program and strongly supporting the House bill that has been presented.

In some ways, the history of our facility helps you to understand why we would support it. The Greater Pittsburgh Airport was built in 1952, and was called a "white elephant" at the time—much too big for anyone's vision of what aviation would become. It quickly outgrew that title, and by the end of the 1960's, it was a facility that could not offer competition, even before defederalization, simply because it was too small a terminal and did not have the kind of airfield that was needed.

In the late 1960's, a progressive board of commissioners and a new airport administration took the risk that the county had always taken at the airport. At that time, we had no major tenant, no one who was footing the entire bill for the operation of the airport. The entire risk of aviation in our area—and I think you will find this true in a number of other cities—was borne by the county government, providing a regional service and in some ways providing a national service.

While the board committed itself to the kind of expansion that was needed and got some commitments from the airlines, it was clear that some other anchor was needed. Set aside the terminal problems and the passenger access problems, and for the kinds of problems in developing a good runway system, good instrumentations—the things that are the nuts and bolts of a good airport—we needed an additional anchor to be put in place, and that is what the ADAP program really provided.

So, in the period of the 1970's, Allegheny County developed what I am told is perhaps the finest runway system in the Nation, or soon will be with the opening of a major new runway. Some $80 million in ADAP-related programs, resulting in about $52 million in grants, were afforded to the county, not for Taj Mahal terminals or anything that satisfied the egos of architects or local officials, but rather the kinds of facilities that are needed to address the criteria that I mentioned before—safety, capacity, access, and environment.

To give you an idea of what we were able to do, we were able to acquire some 8,000 acres surrounding the airport, which would not only take care of future development potential, but go a great deal toward taking care of the environmental concerns that Congress has certainly expressed its concern about.

Essentially, what happened over these years was a trusteeship, a partnership that developed between the Congress and the local sponsors which had solid professional planning. There was no bargaining table planning with commercial carriers on safety, access, environment, and capacity.

We did not have to go through cumbersome nuisances with ill-administered and inequitable local charges. We were helping our passengers, our citizens, and those in the country to believe that we had a national airway system, one which had standards that could apply from airport to airport.

Finally, there was a commitment to the future. The cyclical turns of the airline industry are well known to all of us. Setting those aside and recognizing that there is going to be growth and there is going to be development, there was a commitment to the future to build the kind of facilities that, if we had to negotiate for them, may not have come to Pittsburgh.

In essence, then, we have a program that has worked; it has a good history. Why should it continue? Despite some predictions of gloom, we find in Pittsburgh significant increases in our traffic.

With regard to the commuter problem that was discussed before, we have had a 35 percent increase in commuter traffic in our airport. I have had to use some ingenuity in parking them all over the airport, but we have been able to take care of the kinds of requests that have developed not only because of deregulation, but because of the increase in service in general. We believe that is going to continue.

Our future plans at Greater Pitt involve the development of a midfield terminal complex, which will not only reduce the congestion, but will also provide for increased taxiway services to reduce fuel costs and fuel consumption.

Our testimony, therefore, to the committee is that we have a program that has worked and a program that has served the passengers of this nation very well. It seems an odd time in the history of the airlines to give up our trusteeship role that has served us so well and put it back at the bargaining table. We simply do not believe it would work.

[Whereupon, Mr. Fary assumed the Chair.]

Mr. **Donahoe**. I recognize and my Board recognizes that in this trusteeship, there are mutual interests. Obviously, we come, to some extent, hat in hand, but we do not do it simply because we want the money. We do it because we think this is the best way to insure that the issues of safety, capacity, access, and environment will be addressed in the decade that is ahead of us.

We pledge to the committee and to the Congress to continue well-planned development; to expand the access to our field and to promote competition; to work closely, as we have done, with the FAA, including the use of our ADAP funds in several cases on the installation of safety and security devices; to carry out our responsibility to treat our neighbors at the airport fairly and responsibly; and to keep our reliever airport, which is so important for safety particularly in our area, in top condition so that we can attract the private traffic to it.

We therefore urge the committee to consider the comments of all of the persons involved, particularly the Operators Council and the several amendments which they have suggested, and take quick action to implement the legislation.

I might say in response to Mr. Levitas' concern that I think his approach in terms of the access question is a good one. I have found, in this brief time that I have had to look at this legislation, that that kind of research and communication between all parties simply did not take place, and that the steps that the Senate bill calls for are, at best, risky and perhaps would create major administrative, traffic, and business problems for airports all over the Nation.

So I think that the kind of mutual discussion that he proposed is certainly in order, and I thank the committee for hearing us today.

Mr. FARY. Mr. Bennett?

Mr. BENNETT. Mr. Chairman, I am Robert F. Bennett, and I am the assistant executive director of the Port Authority of New York and New Jersey.

The Port Authority of New York and New Jersey operates John F. Kennedy International Airport, LaGuardia Airport, and Newark International Airport. Approximately 200,000 jobs result directly or indirectly from these airport activities, and it is estimated that the air transportation industry in our region provides $5 billion to the regional economy.

It is expected over the next number of years that the passenger traffic at our airports will increase by some 50 percent, and air cargo activity is expected to increase by some 100 percent. In order to assure that this growth is realized, it is expected that an investment of some $800 million will have to be made. Federal funds, therefore, are extremely essential and necessary to assist in financing this new investment in order to assure the kind of growth that we see out in future years. The port authority, therefore, supports H.R. 6721, which provides for a continuation of funds for all airports, including medium and large hubs. The port authority would also like to recommend and support an increase in the enplanement formula, as recommended by the AOCI, in order to compensate for the effects of inflation.

There is one concern that the port authority has and is involved quite deeply with other agencies, and that is the question of "airport access," and when I say "airport access," I speak of ground access to airports. Most major airport facilities are experiencing, I believe, the same kinds of problems that we are experiencing in New York. Our airports and the surrounding road facilities—for an example, John F. Kennedy has a ground access capacity of some 23 million passengers; in 1979, Kennedy Airport handled some 27 million passengers, with great delays and congestions on roadways to the facilities.

We are studying necessary highway improvements with the responsible agencies to relieve the auto congestion. With that, though, we are also working with agencies and we are here today to bring before you a problem that we hope will be addressed in this legislation, and that is the need to encourage, develop, and finance public transit, high-occupancy vehicle access to airport facilities.

Mr. SNYDER. Do you mean highways?

Mr. BENNETT. No, sir. I mean buses and high-occupancy vehicles. I am speaking of public transit-type operations.

Particularly in view of the energy crunch that we are experiencing today, the port authority is concentrating its efforts on improving transportation systems which employ high-occupancy vehicles. Hopefully, these improvements will provide a significant reduction in the use of the single-occupied automobile in its trip to the airport. Accordingly, the port authority is evaluating energy-efficient transportation systems, such as improved mass transportation system links to airports, paved right-of-ways for exclusive use by high-occupancy vehicles, automated people-mover systems, and satellite air terminals remote from the airport with energy-efficient links, including special airport buses.

The cost of these improvements run very high. The estimated capital costs of such improvements to the port authority's three airports could approximate $500 million over the next 10 years. Federal funding in this regard is necessary to assure that the improvements will be made.

It is acknowledged that some of these projects may be eligible for funding under present Federal programs, such as UMTA and FHWA. However, the funds available to such Federal programs are already inadequate to cover the local priority needs of the municipal and other jurisdictional agencies for projects such as highway bridge repairs, road improvements, capital and operating assistance for the local transportation systems and the regional transportation network. Therefore, the port authority feels a new funding source must be provided for these essential ground access improvements.

Today, our three major airports are accessible via a variety of bus and limousine and rail services. These services must be improved.

I am skipping through some parts of my testimony in the interest of time. I would like to add that Federal funding through the ADAP program might be made through the aviation trust fund and not be made in competition with other on-airport needed improvements.

That is the essence of my statement, Mr. Chairman, and thank you very much.

Mr. **Fary**. Mr. McMillan?

Mr. **McMillan**. Mr. Chairman, I would like to comment first, if I may, that the suggestion of the formation of a study group to address the question of airport access has a great deal of merit.

This is a very complicated problem with so many ramifications, and if all of us go off in our own direction and try to work out our own solutions, I think it is going to be chaos. I do strongly support the suggestion that we have a study group formed among the various parties at interest.

Likewise, in the interest of the time of this committee, I really conceived of my being here this morning more to be able to address your questions at the proper time, although Houston has prepared some rather extensive testimony.

I have with me Ms. de Leon, who is our Washington representative, who would, with your permission, give at least a summary of our testimony, if we may proceed that way.

Mr. **Fary**. Ms. de Leon, you may proceed.

Ms. **de Leon**. Thank you, Mr. Chairman. We have submitted our comments for the record, and if I could just briefly summarize, we are pleased to have the opportunity to comment here, and we strongly support H.R. 6721.

We testified before this subcommittee last September, and we realized that the subcommittee had a substantial task before it to deliberate and come up with a bill. I think that the task was further complicated by the action in the Senate and the fact that you have different policy views and different pieces of legislation to contend with.

But we are most enthusiastic about the product that Chairman Anderson came up with, and we support the subcommittee in your deliberations today and in the future.

We do have a few minor amendments that we would like to propose, and Mr. McMillan is well equipped to go into these amendments in detail. But we would also like to discuss briefly the situation in the city of Houston, because we feel Houston is very representative of the problems and the situation at many of the growing airports as opposed to the mature airports, who have already handled most of the growth that they intend to for the foreseeable future.

Houston, quite frankly, is at the limit of its capacity, and I think the underlying notion of this hearing is the issue of defederalization. The city of Houston is strongly of the view that that is, at least at this point, an ill-conceived notion, and certainly a premature notion.

Houston has substantial construction underway. We go into this at length in our testimony, but the main point that we would like to make is that it would be simply impossible at this point for Houston to accommodate the needs of the market and for Houston to accommodate the Federal requirements imposed on it without Federal assistance.

We have comments within the bill that I would like to go into. I would just ask that the committee carefully consider most of our points that we do make on the construction and the capital improvements underway in the city of Houston.

As regards the bill, we are especially encouraged that the bill maintains the existing Federal-local ADAP financing relationship. We believe that any State administration of ADAP would not necessarily be an effective way, and if anything, we believe that it would probably increase the administrative burden of the program. So we are encouraged by the existing financing relationship and we urge that that remain in the final bill.

We do have an amendment that we would like the subcommittee to consider—and we realize that other airports and, I believe, the AOCI supports this as well—and that is our question about the change in the language which would set funding maximums rather than establishing minimum funding levels.

We urge the subcommittee to maintain the existing language of the current statute, which would propose "a funding level of not less than $865 million for fiscal year 1981."

We believe that the current requirements for project approval are adequate to insure appropriate use of airport development funds. However, we fear that the somewhat vague language of section 8(b)(1)(A), which states that "No project grant application may be approved by the Secretary unless the Secretary is satisfied that that project is consistent with the objectives of this Act," could somewhat impair our flexibility. We merely suggest that you take a second look at that. We believe that that language should be further clarified.

With respect to the use of funds apportioned to sponsors of primary airports, it is the city's position that the sponsors should have the freedom to select and designate particular projects to be accomplished by the use of such funds, subject only to the general limitations of ADAP as to work eligible for and subject to Federal participation.

As a project sponsor, the city, of course, assumes responsibility over the general economic welfare of our airports. The tenant carriers pay only a compensatory landing fee or building space rental rate under our airport use and lease agreement for only that portion of the facilities which they actually use. This causes the tenants to focus only on their own particular needs. I think this further underscores the need for continued Federal funding.

Carriers prefer to see every cent of ADAP funds go into the airfield cost center, because under law ADAP funds are excluded from the fee and rate calculation. The city has found in its negotiations with the carriers and in its planning that it is necessary to utilize maximum allowable ADAP funding for public space in our terminals in order to have an economically viable project.

Another provision I would like to turn to is sections 10(a) (1) and (2) of the bill, which are similar to the Airport and Airway Development Act of 1970. We support these provisions and we have found that implementing regulations of the sections have not been unduly restrictive.

However, we are concerned about the words, "substantially comparable rates, fees, rentals and other charges." We feel this must be interpreted to recognize greatly different capital investment bases in facilities constructed long ago when compared to recent major expansions or construction of new unit terminals.

Houston has two unit terminals designated as "A" and "B" which were constructed in the late 1960s, and new terminal "C" is now under construction at a capital cost of about twice as much per square foot as terminals "A" and "B".

Our lease agreement requires air carrier tenants to pay compensatory rental rates sufficient to provide for a capital cost recovery factor and a factor for reimbursement of maintenance and operating expenses. Compensatory rental rates in terminal "C" will be higher in dollars per square foot, in recognition of the increased capital investment.

Thus, although the rental rates could not be comparable in absolute dollars, in terms of the derivation of rates they are essentially identical. We do not believe that the rate differential charge for the use of new facilities could be considered discriminatory.

Therefore, it is our position that the principle of recovery of investment through rates and charges should be protected by suitable language in the legislation.

In conclusion, I would just like to say that we do support H.R. 6721, and the city of Houston is very committed to efforts towards passage of this legislation. We feel that the House as a whole has a particularly difficult task before it, because you are faced with such an entirely different version which was passed by the Senate.

Therefore, we feel many of these differences will have to be worked out in the conference committee, and that makes it all that much more important for the House to pass an extremely strong piece of legislation to increase bargaining power in the final conference committee.

We would now be more than happy to answer any questions. Mr. McMillan is particularly qualified; he has been with the city of Houston for over 15 years and has exercised general management and financial responsibilities over the Department of Aviation for that amount of time. I believe he brings to this panel a particular perspective, having dealt with those issues, and would be more than happy to comment on some of the particular questions you have raised earlier.

Thank you.

Mr. **Fary**. One of the contentions has been that under the existing ADAP program, the larger airports get more in passenger ticket taxes than they get back in ADAP grants. Because of this cross subsidization, it is argued that the larger airports would be better off under defederalization, where taxes would be lower and the airports would still get some F. & E. money back. I would welcome the comments of the panel on this argument.

Mr. **Donahoe**. Well, Mr. Chairman, that is the theory that is apparently behind the legislation. What it really compels us to do, however, is to get this money which used to flow through the solid, professional, well-planned ADAP program at the bargaining table. Why there is a conclusion that those funds would be immediately available to the airports—I do not know how that follows.

What we have with the trust fund arrangement and the trusteeship that I spoke about is an ability to know that it will be there to do the kind of planning you need to do in aviation management.

In addition, it comes at a particularly odd time. I think the folks from Houston said that it might be a bit premature. Perhaps, someday, this notion will work. We just think it is the wrong time in the history of commercial aviation to let these kinds of safety and capacity issues go to the bargaining table.

Mr. **McMillan**. Mr. Chairman, if I may supplement Mr. Donahoe's comment there, we are faced in Houston with a situation where we have a long-term use and lease agreement negotiated in the 1960s that runs to 1997. The formula for calculation of rates and charges is very precisely spelled out in this use and lease agreement. We do not have a free hand to set new rates and charges.

We are also faced with a need for a third major runway, costing over $100 million, in the very near future, the result of which would be to triple or possibly even quadruple the landing fees paid by the carriers if we have to spend city funds, totally, for this construction.

It is just almost inconceivable to me that the carriers would willingly agree to quadruple their landing fees in order to accommodate the construction of that runway. Hence, the absence of ADAP funds in a case like that would have a very adverse effect upon the national aviation system plan, I believe.

Mr. **Bennett**. Mr. Chairman, we at the port authority have the same kind of lease arrangements that have been described by this gentleman from Houston. We have long-term leases with our air carriers that do provide for the recovery of costs, but they do not provide for full cost recovery of all improvements that are required at the airport.

Loss of ADAP funds at our airports would impose an economic hardship on the airport operator, inasmuch as the opportunity of recovering these added costs is not present in existing leases. I speak primarily of on-airport roadway improvements which are necessary to airports and relates to what I was talking about earlier in terms of off-airport congestion and the need to relieve that congestion.

We have the same kinds of problems on our airport, and the kind of investment we are talking about is substantial. Our lease agreements with the airlines do not provide for recovery of that kind of investment, and so continued airport aid to a large facility like Kennedy is essential if we are to realize the growth and the economic benefit from that facility.

Mr. COLEMAN. Mr. Chairman, I would like to echo what the New York-New Jersey authority says. I emphasize that the Massport authority is unique in that we do not have as many long-term lease agreements as some of the other people, nor do we have a use agreement.

Our principal concern is projects that might have environmental or noise implications, and the prospect of negotiating those projects out with the airlines is mind boggling.

Mayor WOODS. Mr. Chairman, we in the Dallas-Fort Worth area have a similar situation. We are bound beyond the year 2000, and it would be very difficult for us to go back and renegotiate these moneys. We are really reluctant to interfere with the program that we have got coming into Fort Worth-Dallas now, because it would really work a hardship on us; I do not know how we would ever work it out.

Mr. FARY. Could the members of the panel who have not done so respond to Congressman Levitas' proposal that the legislation provide for an immediate conference of all persons involved in the airport access problem?

Mr. BENNETT. I can only say for the port authority that such a conference would be very useful in solving some of these problems that he described as being discussed between two of the ten parties in this room. I would support such a thing.

Mr. COLEMAN. I think the Massport authority would support such a process as well. We are using the same process, hopefully, to confront some of the delay problems that we had last summer with a conference this spring, inviting representatives from all the associations and carriers or commuter airlines that might have some concern over delay or capacity problems at Logan, and that is certainly a large share of the access equation.

Mayor WOODS. Mr. Chairman, I was just advised that the airport administration at Fort Worth would certainly support this idea, and I know that the board and the two cities would also support it, so we certainly go along with it.

Ms. DE LEON. As Mr. McMillan stated for the city of Houston, we support that amendment and would like to see it incorporated into the final bill. In fact, the city of Houston would welcome participating in such a conference.

Mr. **Fary**. The Chair will now yield to Mr. Snyder.

Mr. **Snyder**. Thank you, Mr. Chairman. Mr. Chairman, I understand that the other party has a caucus at 11:30 a.m. I do have a couple of questions I want to ask, but I want to ask unanimous consent to submit to the panel some 20 questions and that they respond within 10 days for the record.

Mr. **Fary**. Without objection, so ordered.

[The following were received for the record:]

THE CITY OF FORT WORTH
TEXAS

WOODIE WOODS
MAYOR

April 2, 1980

The Honorable Glenn M. Anderson
United States House of Representatives
Chairman, Subcommittee on Aviation
2165 Rayburn House Office Building
Washington, D. C. 20515

Dear Congressman Anderson:

The following information is submitted in response to your request during the Subcommittee on Aviation Hearing on the Airport and Airway Improvement Act of 1980, H.R. 6721, held on March 26, 1980, in Room 2253 Rayburn HOB, Washington, D.C.:

For Fort Worth

Q. Of the $90 million in ADAP money you have received since 1966 ($21 million for land acquisition; $68.5 million for construction), how much of this was derived from entitlements and how much of it was discretionary?

A. The amount of $7,499,264.00 was distributed to DFW Grant Agreement 9-41-209-C-601, C-802 and C-803. These funds were from the previous FAAP (Federal Airport Act Program).
In the earlier days of ADAP, federal funds were distributed to states and then apportioned by the state to airports. DFW received $15,563,559.88. In addition to the above, $30,308,289.27 in federal funds were distributed from the FAA Administrator's pure discretionary funds. The balance of $36,167,092.52 either previously received or currently apportioned to DFW as Apportionment Funds are from the current ADAP program.

Q. Even though you have such a modern and well-equipped facility, are there any safety improvements which you would like to see accomplished at DFW in the near future?

A. A new runway and associated taxiways along with aircraft apron areas.

Q. Would you like to see the restriction on spending funds for terminal development (only 60% of entitlements) be lifted, provided an airport complies with appropriate safety regulations?

A. Yes, in that it would give more flexibility to the law. But as a compromise measure, it would not matter to us greatly.

Q. How much excess capacity do you presently have at Dallas/Fort Worth? What are your concerns for the future relative to assuring that all carriers are provided with equal access to our nation's airports?

A. At the present time, gate-wise, the DFW Airport is nearly at full capacity. With one full and three partial terminals, the airport terminal areas are one-fourth complete according to the Airport Master Plan. Runway-wise, we are approaching capacity. With three full runways and associated taxiways, the airport is one-half complete according to the Airport Master Plan. Overall, one could say that the airport is one-third complete or, put another way, we have two-thirds yet to develop at DFW.

Our concern is that under defederalization and the threat that deregulation poses to our airline agreements, we will not be able to provide gates for new airlines testing the market that will not or cannot finance on a long term basis.

Sincerely,

Woodie Woods
Mayor of Fort Worth

WW:ms

CYRIL H. WECHT, M.D., J.D.
COMMISSIONER

TOM FOERSTER
CHAIRMAN

WILLIAM R. HUNT, M.D.
COMMISSIONER

County of Allegheny
DEPARTMENT OF AVIATION

David L. Donahoe
DIRECTOR

April 2, 1980

The Honorable Gene Snyder
c/o Committee on Public Works
Subcommittee on Aviation
2165 Rayburn House Office Building
Washington, District of Columbia 20515

Dear Congressman Snyder:

In accordance with your request, I am submitting written responses to questions handed out at the Subcommittee Hearing on Wednesday, March 16, 1980.

If there is any further information you would like please feel free to call on us.

Again, we appreciate the opportunity to present our views to the members of the Subcommittee.

Sincerely,

David L. Donahoe
Director

DLD/jl

Enclosure

ALLEGHENY COUNTY

RESPONSES TO SUBCOMMITTEE QUESTIONS
MARCH 26, 1980

1. **What is your position on including a state block grant program in H.R. 6721 which would allow the states to administer ADAP for general aviation and smaller air carrier airports?**

   Limited to non-reliever and smaller airports the state might play a role in coordinating general aviation efforts. We would want to maintain, as a major sponsor, however, planning jurisdiction at our carrier and reliever site or sites.

2. We have heard from many groups that the federal share of ADAP project costs be set at a certain percentage, rather than "not to exceed" this percentage.

   These groups asserted that localities are less apt to support airport projects when the amount of the federal share is uncertain. What is your recommendation and what are the reasons in support of it?

   We favor a fixed share percentage. One of the strengths of the ADAP program is its predictability. Initiating a bargaining process for determining safety and access funding is a step backwards. In addition the committee version inexplicably applies the differential formula to larger airports which, we believe, is discriminatory.

3. Are you in agreement with the provision in H.R. 6721 which provides for one large discretionary fund (for which all airports are eligible) rather than existing law which has separate discretionary funds for air carrier, general aviation, reliever and commuter service airports?

   As we read the committee's version the Secretary would theoretically have the authority to allocate as much as 50 percent of the new "pot" for non-reliever general aviation facilities. Both on a need basis, that is where the major safety and access projects are needed, and on an economic basis, that is where the passengers have contributed the most, the provision needs modification.

   The Airport Operators Council International (AOCI) has submitted a suggested amendment that would add a provision to 7 (b) (4) of the bill to assure that no less than 75 percent of the superdiscretionary fund will be awarded for primary airport and commuter airport development (in addition to the existing $45 million annual minimum for reliever airports). This change properly limits the Secretary's authority and gives the tax paying consumer the comfort that his dollars will be allocated to the facilities he is

4. **Under H.R. 6721, Greater Pittsburgh would be a primary hub and be eligible to share additional entitlement funds with relievers and commercial service airports in that hub. How many of these airports would be in the Pittsburgh hub and what do you think would be gained by utilizing this funding concept?**

   Since the bill would give the Secretary the authority to designate hub areas we have no idea at this time how many airports would be within Greater Pitt's hub. We have one major reliever at this time, the Allegheny County Airport, which is also under the jurisdiction of the Department of Aviation. As we have no statutory authority over facilities located outside Allegheny County it is unclear that we could serve as a conduit as is being suggested. It is conceivable that some working agreement could be reached to provide the funding and enhance the regional concept which the bill apparently is trying to promote.

AKIN, GUMP, HAUER & FELD

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April 17, 1980

Mr. Glenn M. Anderson
Chairman, Subcommittee on Aviation
2251 Rayburn House Office Building
Washington, D. C. 20515

Dear Chairman Anderson:

On behalf of the City of Houston's Department of Aviation, I enclose our responses to questions posed by the Subcommittee during our appearance before you on March 26, 1980. During the hearings held on H.R. 6721, Congressman Snyder asked that our answers be submitted to you at a later date. Accordingly, we request that these statements be made part of the hearing record.

We would also like to take this opportunity to reiterate our strong support for the bill which you have introduced, H.R. 6721, the "Airport and Airways Improvement Act of 1980". If we can be of any assistance to you in your efforts to secure passage of this legislation, please do not hesitate to call.

Sincerely,

Sylvia de Leon/add

Sylvia A. de Leon

SdL:pg

Enclosures

cc: Joseph Italiano

QUESTIONS TO THE CITY OF HOUSTON BY REPRESENTATIVE SNYDER

Question 1. In your testimony you state that all of the terminal facilities at both of your airports are committed and that new carriers must sub-lease space from incumbent carriers. Have the incumbent carriers voluntarily agreed to sublease to new entrants?

Should the Secretary of Transportation be given the authority to modify these agreements in order to guarantee equal access if the parties cannot resolve these disputes on the local level?

Answer 1. We are not aware of any case in which an incumbent carrier has refused to work with a new carrier. On the contrary, we know that Eastern has accommodated Republic, and Continental Air Lines has more recently accommodated Piedmont at Houston Intercontinental; and that incumbent carriers at Hobby have similarly accommodated, first, Hughes Airwest and, later, Ozark, Air Florida and Frontier.

Referring to the second part of the question, at the time they were entered into, the existing Use and Lease Agreements were totally valid legal instruments under which many signatory carriers made substantial investments in tenant financed improvements, finishes, and equipment. Some of these items uniquely fit the requirements of the lessee carrier and are not necessarily adaptable to the needs of a subsequent tenant. Title to these leasehold improvements remains in the lessee and a modification of the agreements would seem to require some sort of buy out requirement imposed on either the City or a subsequent lessee, neither of whom may desire the improvements or be financially able to pay for them. Thus, it would follow that if the Secretary is to have authority to mandate a change in the existing leasehold property right, Federal funds should flow along with that mandate. Given the existing budgetary pressures, funding for this purpose is not feasible. Finally, protection for the sponsor (Houston) against possible liability resulting from abrogating or reforming the Use & Lease Agreement in compliance with directives from the Secretary must be assured, otherwise we must unalterably oppose such authority as suggested by the question.

Question 2. Do you think that it would be any easier for a large hub airport such as Houston Intercontinental to finance capital development without ADAP than it would be for a medium hub airport such as Hobby?

Answer 2. Capital development costs at either Houston Intercontinental or Hobby would be identical for construction of identical facilities since materials and labor are procured in the same market. Houston Intercontinental, with 10.9 million passengers in 1979 compared to Hobby's 2.7 million, has more opportunity to generate funds from concession revenues to cover the City's portion of both capital cost (debt service) and Maintenance and Operation expenses. Both Airports are relying on Use and Lease Agreements with the tenant air carriers that follow the "compensatory rental" philosophy to which we have previously alluded in our written testimony; hence, financing the carriers' portion of capital developments would be of equal difficulty. The two Airports comprise an airport system, in accounting parlance the Airport System Fund, and all revenues and expenses flow into and out of a commingled fund. Given the peculiarities outlined above, we would have to answer the question to the effect that there is no difference in financing capabilities in Houston's case. Generally, speaking of non-related airports, we are of the opinion that large hubs can, in fact, generate a higher level of revenues than smaller hub classifications, and in the unlikely event that all of the other factors are equal, could more easily survive without ADAP.

Question 3. You urge clarification of the language which would allow the Secretary to disapprove of projects found to be inconsistent with the provisions of the statute. Why? Shouldn't the Secretary have this discretion in the case of projects which are not particularly worthwhile?

Answer 3. The language in our written testimony which prompted this question may, itself, require clarification. First, it was not our intention to suggest that sponsors should be able to undertake projects which might conflict with "the objectives of this Act." We fully support the concept that whatever is done should be in harmony with the intent of Congress in the enactment of relevant legislation. Secondly, reference in the stated question to projects "which are not particularly worthwhile" gets to the crux of the matter. Where there are two or more proposed projects being considered, each of which is legitimate under the controlling law, someone must select the one(s) to be accomplished assuming the other(s) cannot be. Under H.R. 6721, as drafted, the Secretary would be the final arbiter in this case. We believe the sponsor would be more fully knowledgeable of unique local considerations influencing the selection of projects to be funded and should not, in effect, be vetoed so long as the project is in accord with National policy.

Question 4. Do you favor retention of the existing user tax structure: If not, what changes would you make?

Answer 4. Yes.

THE PORT AUTHORITY OF NY & NJ

One World Trade Center
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Robert F. Bennett
Assistant Executive Director

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April 2, 1980

Mr. David Traynham
Subcommittee on Aviation
Rayburn House Office Building, Rm. 2165
Washington, D.C. 20515

Dear Mr. Traynham:

In accordance with the request of the Subcommittee, I am submitting answers to the written questions which were handed to me after my testimony on March 26, 1980.

If the Subcommittee should need further information, please let me know.

Very truly yours,

Robert F. Bennett
Assistant Executive Director

Attachment

The following answers have been prepared to the questions of the House Aviation Subcommittee.

QUESTION 1

I notice that you advocate an additional 30% increase in the level of entitlements beyond those provided for in H.R. 6721. This would amount to an additional $100 million in entitlements. Considering the realities of the budget process, would you still advocate this increase if total 1981 funding levels were not permitted to exceed the $2.035 billion provided for in H.R. 6721?

If so, from what category would you make the necessary cuts?

ANSWER

The Port Authority is recommending an increase of 30% in entitlements to partially offset the 87% inflationary effect which is not provided for under the current legislation. The effect of inflation is generally acknowledged in H.R. 6721 by the increased funding level for all ADAP. However, the distribution of that increase is not uniformly applied among the categories. The Port Authority recommends an increase in entitlements even if there should be budget limitations on maximum ADAP spending. That increase could be accomplished by reducing the increase in all other categories to effect the same percentage increase for all categories.

QUESTION 2

Although your airports appear to be in need of improved ground access, don't you believe that the need for other higher priority projects (such as safety projects and projects to maintain or increase capacity) so far exceeds available funds that spending ADAP money for ground access would be inappropriate until all these needs are met?

How much has the Port Authority received from other federal programs for improved ground access to its airports?

ANSWER

Ground access to an airport is essential to the ability of that airport to accommodate the utilization of its on-airport facilities. The inability of passengers to get to the airport creates the same consequences as the lack of passenger handling facilities on the airport. Therefore, ground access improvements to airports must be given the same priority as improvements on the airport to increase capacity. In accordance with federal policy, the Port Authority suggests special ADAP funds for energy efficient ground access improvements to airports such as mass transportation system links to airports, paved right-of-ways for exclusive use of high occupancy vehicles, and satellite air terminals remote from the airport with energy efficient links, including special airport buses.

The Port Authority has received no funds from other federal programs for improving ground access to airports.

QUESTION 3

Do you believe that the Airline Scheduling Committees for Kennedy and La Guardia Airports do a good job allocating slots to the various carriers? What other methods do you think would work more effectively?

ANSWER

It is the Port Authority's view that the Airline Scheduling Committees have done an effective job of allocating certificated airline slots available under the FAA's High Density Traffic Airports Rule (Federal Aviation Regulations-Part 93, Subpart K) and at this point we are unconvinced that any alternatives advanced would be better. The Port Authority has had representatives at almost all the meetings of the New York Scheduling Committee since its inception in 1968. It has been our observation that all carriers, from the largest established carrier to the smallest new entrant, have an equal negotiating status at these Scheduling Committee meetings. Each has an equal right to movement slots for the period being allocated at the meeting with no carrier possessing "grandfather rights" to slots. The only price a small and/or new carrier has to pay for slots, even at peak hours, is to be willing to out-wait and out-haggle other carrier representatives at the meetings. The equal access of all carriers to slots also gives the communities they serve an equal opportunity for service links with high density airports.

The carriers semiannual slot negotiations have always been successfully concluded. Their fair and efficient implementation of the FAA's rule has contributed to the dramatic reduction in aircraft delay since the promulgation of the rule. According to FAA data, during the June to September Summer period of 1968 (before the rule's effectiveness) 8% of the flights at La Guardia were delayed 30 minutes or more and 20 1% of Kennedy's flights were similarly delayed. For the same period in 1979 the comparable delay figures were 2.4% at La Guardia and 2.4% at Kennedy Airport.

Another important benefit of the Airline Scheduling Committees is that the New York Scheduling Committee also serves as a means for the Kennedy carriers using the International Arrivals Building (IAB) to comply with the Port Authority's request that they plan their passenger arrivals so as not to exceed 3,000 per hours between 2 p.m. and 10:59 p.m. during the Summer (June 15 to September 15).

Since 1971 the airlines using Kennedy's IAB have been planning their arrivals so as not to exceed the hourly maximum. The Port Authority initially requested this planning of arrivals in order to lessen the severe peaking caused in part by the introduction of wide-body aircraft into transatlantic service. Limiting planned passenger arrivals at the IAB to 3,000 per hour has smoothed the peaking of arrivals and improved service for passengers using the terminal (over 840,000 passengers arrived at the IAB during the affected hours between June 15 and September 15, 1979).

In addition to benefiting our passengers, the planning of arrivals at the IAB is also appreciated by the Federal Inspection Services. For example, the Department of Agriculture in a November 27, 1979 letter to the Port Authority concerning the 3,000 passengers per hour program stated, "It has been extremely beneficial to our Agency's operation, and we are sure with those of the other Federal Inspection Services, to have peak period limitations at the International Arrivals Building. This provides us with a better opportunity for successful completion of our inspectional functions. We wish to commend you and the Airline Scheduling Committee for taking the initiative these past years in successfully solving at JFKIA what has proven to be a very serious and continuing problem at many other airports."

The planning of passenger arrivals at the IAB is easily accomplished at the Airline Scheduling Committee meeting for Kennedy Airport. At this session it is possible for airlines using the IAB at Kennedy to, at the same time, adjust their planned aircraft operations and passenger arrivals so as to comply with both the FAA's High Density Traffic Airports Rule and the request fo the Port Authority that they limit their planned IAB passenger arrivals to 3,000 per hour.

There are numerous uncertainties about alternative means of allocating slots, such as an auction. Therefore, if the Federal Government decides to adopt an alternative method, we urge it to first experiment with the new procedure at its own airport-Washington National. If such an experiment were conducted, we would want the FAA's High Density Traffic Airports Rule to continue to apply at Kennedy and La Guardia and the slots to be allocated by the New York Scheduling Committee during this period.

QUESTION 4

What are your views on the Administration's proposal to give it Authority to:

a) Modify existing agreements between carriers and airport operators;

b) Allow third parties the right to sue an airport operator for violation of ADAP assurances;

c) Assess civil penalties against airport operators for violations of ADAP assurances;

ANSWER

There is no access problem at Port Authority Airports. Since October 1978, when the Airline Deregulation Act was enacted, 29 carriers have started service at our airports, including 19 commuters. Six have begun service at Kennedy, 15 at La Guardia and 8 at Newark. Nine of the new certificated carriers and six of the new commuters sublease space from other carriers (see Exhibit A).

We therefore believe that it is neither necessary nor desirable to give the Secretary of Transportation the extraordinary and constitutionally questionable power to modify or abrogate existing agreements between the Port Authority and its carriers. Such unprecedented power, if exercised, would create a host of legal and financial problems which could adversely affect the entire aviation industry.

Moreover, because of the excess capacity available within our regional system, we do not anticipate any access problem in the foreseeable future. Kennedy, La Guardia, and Newark all serve the New York-Northern New Jersey area known as the hyphenated point "New York-Newark" in air transportation parlance. Kennedy and La Guardia, as you know, are both very busy airports. They are covered by the FAA's High Density Traffic Airports Rule which, generally speaking, places an hourly limit on flights during peak hours and requires the airlines to acquire slots for their flights. On the other hand, there is an excess of air and groundside capacity at Newark where a $400 million redevelopment program including two new terminals, roadways, parking lots, and runway were completed in 1973. Plans were recently announced to open a third new terminal building by 1985. The terminal facilities at Newark are underutilized and can accommodate additional airlines. It would therefore not serve the public interest to enact a law which would require the Port Authority to accommodate new airlines at La Guardia and Kennedy, with the possible need to spend public monies for the terminal expansion, when Newark Airport has plenty of space available. Mpt only does Newark have room, but it is very convenient to the market. It is only about a half hour from Manhattan. This convenience to New York City has been cited by the CAB in its Newark Show-Cause proceeding and its decision to subsidize essential service between Sullivan County, New York and New York City through Newark Airport.

Because of the imbalance of capacity and service at the airports serving New York-Newark, we strongtly recommend that if the Secretary of Transportation is granted the power to modify existing agreements between the airports and the carriers, such legislation should clearly provide that the obligation of an airport operator to accommodate all new carriers will be deemed to be satisfied at multi-airports points such as New York-Newark and Washington, D.C., by the accommodations of the airline at any of the operators' facilities serving the area.

Such a provision would be consistent with the Airline Deregulation Act and the recently enacted International Air Transportation Competition Act which have similar provisions encouraging the use of satellite airports. Newark was specifically mentioned in the Congressional debate on the domestic deregulation act as one of the satellite airports which should be developed.

Turning to the question of third-party suits, it has been our experience that existing remedies are perfectly adequate to insure airport compliance with ADAP assurances. We therefore see no necessity for additional legislation expressly authorizing private rights of action.

The assessment of civil penalties against airport operators for the violation of ADAP assurances would, in our judgment, serve no useful purpose. Since most United States airports are publicly owned, the imposition of civil penalties would do nothing more than place an additional burden on the traveling public in the form of either higher user fees or increased taxes.

QUESTION 4

What are your views on the Administration's proposal to give it authority to:

d) Allocate slots among various users at airports operating at capacity.

ANSWER

As stated in our answer to Question #3, it is our view that the Airline Scheduling Committees have done an effective job of allocating slots available to the certified air carriers under FAA's High Density Rule and at this point we are unconvinced that any alternatives advanced would be better.

However, if the Secretary of Transportation determines that there is an alternative to the Airline Scheduling Committee which has less anti-competitive effects, we recommend that the FAA must be the entity to allocate slots among various users at airports subject to its High Density Rule.

The allocation of slots, by auction or otherwise, is not and should not be the function or responsibility of the local airport operators. For example, if this responsibility were somehow imposed on the operators of slot restricted airports each would want its auction held last since presumably after the carriers had acquired operating slots at the other quota airports it would be worth more to them to acquire slots at the last airport auction. Aircraft slots are now required at four airports but more airports could conceivably be added to the list. Clearly, to avoid the type of problem indicated the Federal Government must coordinate and operate the auctions if they are introduced.

[illegible]

CARRIERS STARTING SERVICE AT NEW YORK-NEWARK AIRPORTS (SINCE AIRLINE DEREGULATION ACT October 24, 1978)

Kennedy

Carrier	Handled By
Aero Peru	TWA
Air Florida	USAir
Korean	American
Piedmont	British Airways
Hawaiian[1]	Flying Tiger
Petroleum[1]	Sabena

LaGuardia

Carrier	Handled By
Air Canada	United

Newark

Carrier
Continental - sublessee of Piedmont
World - leases from Port Authority at North Term.
Altair - Piedmont handles

Commuters (LaGuardia)

Carrier	Handled By
Pilgrim[2]	Eastern
East Hampton	Butler at Mar. Term.
Catskill	"
Green Mtn.	"
Mid - State	"
Ford Aire	"
Mall.	"
Courtesy	"
Montauk - Caribbean	"
Air Ventures	"
Precision	"
Business Aircraft	"
Starflight	"
Transtate	"

Commuters (Newark)

Carrier	Handled By
Air Virginia	Piedmont
Air North	Piedmont
Penn Commuter	USAir
Holiday	United
N.J. Airways[3]	United

Note: In addition, three former supplementals - Capitol, Evergreen and Trans America - and two former commuters - Empire and Summit - continue to operate at our airports but now as certificated scheduled carriers.

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1) all cargo
2) Returned to LGA after a lapse of a few years.
3) Stopped service February, 1980

Mr. **Snyder**. I was interested, Mr. Bennett, in your observation that the ADAP money ought to be available for ground transportation. Are not the type of things that you made reference to available for funding under the Mass Transit Act?

Mr. **Bennett**. They may very well be, sir, but the demands on Urban Mass Transit Administration funds for mass transit improvements in our region far exceed the potential available funding.

The kind of mass transit that I am talking about is mass transit that is airport-oriented. The purpose of the improvement is to provide a quick and efficient trip to the airport. Accordingly, then, I would submit that that should be an appropriate matter for airport funding.

What we have been doing over the years is we have been making improvements on-airport, which certainly were required and certainly were welcome. Now that we have the improvements on-airport, the question is how do we best get the air traveler and the air employee to the airport in the most efficient manner.

The automobile trip to the airport is becoming a burden on the community and a burden on the traveler. We submit that a more efficient way of doing it in a public transit mode—a bus or rail, or what have you—is a subject of concern to airport operators and airport developers.

Mr. **Snyder**. I recognize, of course, that New York and Massachusetts are not necessarily in tune with the present administration, as evidenced by some recent events. [Laughter.]

I am sure the panel understands that we have a budgetary problem. Our bill is something like $2.035 billion, and something like $500 million over budget now. If we have to cut $500 million to get the fellow downtown to sign the bill, could this panel make any suggestions about where we do the cutting?

[No response.]

Mr. **Snyder**. Let the record show that they shook their heads in the negative. [Laughter.]

Mr. **McMillan**. Mr. Snyder, if I may make an observation——

Mr. **Snyder**. Yes, sir, Mr. McMillan; I will take any advice I can get.

Mr. **McMillan**. Well, not to suggest a place to cut, but simply to call attention to our written testimony to the effect that the ADAP money is not raised by general taxation; it is by a specific ticket tax.

Mr. **Snyder**. Mr. McMillan, I have been arguing that for the 16 years I have been in the Congress and for the 7 or 8 years we have had aviation jurisdiction over here. Bless your heart, I have to tell you that it was Lyndon Johnson who gave us the unified budget, and they have manipulated these funds to cut down on the deficit.

I have even had it researched as to how you get that changed, and it is a long and arduous task through Government Operations and perhaps the Rules Committee, with the Budget Act of 1921 being amended, and perhaps House rules on the Congressional budget.

The implication that you leave is that it ought not to be, I agree with, but unfortunately, I am afraid, a majority of the Congress cannot be sold that bill of goods at the present time. I wish they could.

Mr. **McMillan**. Thank you.

Mr. **Snyder**. I thank you for the observation, but we are well aware of the fact that this is a trust fund; it was collected from taxpayers who travel and others for the specific purposes which are outlined in the ADAP law.

Just one other question, Mr. Chairman, because I know you have to go. Mr. Coleman, I have to say to you that your lobbying efforts were very effective on the noise bill; we felt it. I was wondering how much of your ADAP money at Logan has been used for noise abatement or noise control purposes.

Mr. **Coleman**. Up to this point, a very small percentage has been used for noise abatement purposes.

Mr. **Snyder**. I have heard some people say that Logan gets so much money that they have been guilding the lilly up there. I have not been to the airport, so I do not know. Could you comment on that?

Mr. **Coleman**. It is pretty hard to comment on that. I do not think that is quite true.

Mr. **Snyder**. Well, let me suggest to you that if there is any basis to the rumor, maybe you ought to spend a little of it on noise and we will try to work with you.

Mr. Chairman, I know you have a time commitment here. If they will respond to the questions I have submitted, I would thank the members of the panel for their time and effort and contributions, and for your indulgence, sir.

Mr. **Fary**. Thank you, Mr. Snyder.

Ms. Ferraro, do you have questions?

Ms. **Ferraro**. Thank you, Mr. Chairman.

I first of all want to apologize to the panel for not being here. I have learned a lot during my year down here, but never how to figure out how to be in three places at one time; maybe next year I will learn that.

I was interested, however, in your testimony, Mr. Coleman; I did get a chance to look through it. You mentioned the establishment of a soundproofing system in those communities where airports border closely on neighborhoods. At LaGuardia, our houses run right into the runway.

How would that work?

Mr. **Coleman**. Well, what we are looking at right now is the feasibility of supporting programs with the community where we would go in and actually work with individual homeowners or schools, or whatever, to actually soundproof the buildings.

Ms. **Ferraro**. So you are not only talking about community buildings—schools, hospitals, and that kind of thing—you are also talking about individual property owners?

Mr. **Coleman**. It could work out that way.

Ms. **Ferraro**. It seems that would be very expensive.

Mr. **Coleman**. It is expensive.

Ms. **Ferraro**. Everybody has talked about access roads, and I would just like your definition of an access road.

Mr. **Bennett**. An access road?

Ms. **Ferraro**. Your definition of an access road.

Mr. **Bennett**. One of the things that we have been looking at in the port authority with other agencies in the city is an exclusive roadway which would accommodate buses and high-occupancy vehicles.

To give you some orientation, from Manhattan through the Queens Mid-Town Tunnel, which is on the journey out to Kennedy Airport, using an existing expressway and then, at a point, leaving that expressway and meeting out with an exclusive roadway from that point to the airport, the travel time saved would be roughly one-third of that time, under good conditions.

So, if the trip today is about 50 minutes under good conditions, we could probably save between 15 to 20 minutes with this improvement. Now, it would be a paved right-of-way. There is an abandoned railroad right-of-way today—the old so-called Rockaway Line—which would be paved over. There would be no interference, we believe, in terms of environmental impact; it is an existing facility.

It is that kind of access improvement we are talking about that is, I think, very important and very vital to our airports.

Ms. **Ferraro**. So you are not talking about improving or widening an existing highway. You are talking about creating an exclusive——

Mr. **Bennett**. There would be some improvements on the Long Island Expressway leg of it that I talked about. That, Mr. Snyder, would probably come out of highway funds, because the Long Island Expressway is undergoing an improvement program now. That is the kind of thing we have in mind, for one thing.

For another, we talk about mass transit improvements. We presently have in a demonstration period, and it looks good enough to us to continue on a permanent basis, a train-to-plane operation, which is nothing more than a subway operation out of Manhattan exclusively dedicated to airport service.

It picks up air travelers in Manhattan at eight or nine points, leaves Manhattan, and then makes an express run to the airport boundary. That has a lot of promise, and additional funds are required to upgrade that to make it an even more attractive mode of getting to the airport. It is those things that we talk about.

Ms. **Ferraro**. Does your definition fit in with Mr. Bennett's?

Mr. **Coleman**. It is closer to the latter part, because we do not have the same access road potential, in that we have tunnels that are the predominant means of getting from the city to Logan. Our problem is integrating the Logan transportation system with the existing rapid transit system that comes very close to the airport.

We run a series of shuttle buses now that we took over from the Boston MBTA operation a number of years ago, and they are still operated at a deficit. There is no question about it; if we could link up effectively that rapid transit system with the Logan ground transportation system, we would really have something.

Ms. **Ferraro**. It seems that in every section of the country you have a different definition. Mr. McMillan, what is Houston's definition of an access road?

Mr. **McMillan**. Well, our definition would have to be somewhat similar to what these gentlemen are talking about, but we do not have the same problems. Our major airport, Intercontinental, is located north of Houston in the northern part of Harris County, which is itself a rather astounding growth area. Surface transportation by freeway or otherwise is becoming more and more of a problem in that direction, simply as a function of general growth of the community, and the airport is just a small portion of that.

I think our solution would be either enlarging existing freeways or creating additional freeway corridors from the downtown business district to the northern part of the county.

Ms. **Ferraro**. Like Mr. Bennett's first suggestion?

Mr. **McMillan**. Something on that same order, yes.

Ms. **Ferraro**. Thank you. Thank you, Mr. Chairman.

Mr. **Fary**. Due to important legislative business, it will be necessary for the Subcommittee to recess until 1:30 p.m.

[Whereupon, at 11:36 a.m., the Subcommittee was recessed, to reconvene at 1:30 p.m. on the same day.]

[Whereupon, at 1:30 p.m., the subcommittee met, pursuant to recess, Hon. John G. Fary, presiding.]

Mr. **Fary**. The subcommittee will come to order.

Our next witnesses are Mr. Carl Perry, executive vice president, Hughes Helicopters, accompanied by Robert Richardson, executive director, Helicopter Association of America, and Richard Stutz, chairman, Heliport/Airport Action Group, HAA, and Glen Gilbert, HAA, and Richard Hodgkins, HAA, immediate past director, Department of Aeronautics, State of Massachusetts.

Mr. Perry's prepared statement will appear in the record at this point.

[Statement referred to follows:]

STATEMENTS OF CARL D. PERRY, EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER, HUGHES HELICOPTERS, AND ROBERT A. RICHARDSON, EXECUTIVE DIRECTOR, HELICOPTER ASSOCIATION OF AMERICA

BIOGRAPHICAL SKETCH

ROBERT A. RICHARDSON
Executive Director
Helicopter Association of America

Robert A. (Bob) Richardson assumed duties as Executive Director of the Helicopter Association of America in April, 1971.

Richardson is a Past President (1966) and Director of the HAA and also brings to the position a background of almost three decades in aviation.

He served in the active U.S. Army from 1951-1958. During this period he rose from private to captain, became a fixed-wing and helicopter pilot, and received a Bachelor of Science degree through the University of Maryland's overseas program while stationed in Germany.

Richardson began his commercial helicopter career with what eventually became Butler Aviation International in 1958 as a line pilot in Chicago, becoming Chief Pilot the next year and General Manager in 1962. In 1965 he moved to LaGuardia Airport from where he managed Butler's helicopter operations in New York and Chicago. His activities as a helicopter pilot while with Butler included five years as pilot/broadcaster of traffic conditions for CBS stations in both cities.

In 1968 he was appointed President and Chief Executive of Washington Airlines, with instructions to establish the first scheduled STOL airline service in the nation flying exclusively under the then new FAA operational specifications for STOL aircraft.

In November, 1969, he became president of Tradewinds and Western Airlines, Inc., San Juan, Puerto Rico, managing a common carrier of more than 16,000 monthly revenue passengers intra - Puerto Rico and to/from the Virgin Islands. He left this position to become HAA's Executive Director with headquarters in Washington, D.C.

Richardson has completed work towards a master's degree in Business Administration at Northwestern University and in 1974 passed the test to qualify as a Certified Association Executive (C.A.E.) In December 1978 he received Certified Exposition Manager(CEM) accredition.

Richardson is a long-time member of the American Helicopter Society and also holds memberships in the American Society of Association Executives, National Association of Exposition Managers, the International Aviation Club and the International Club of Washington.

He currently resides in Bethesda, Maryland, with his wife, Betty. Their oldest son graduated from the University of Michigan Law School. The second son is a recent graduate of Brown University and their third child, a daughter, attends the University of Florida.

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ADAP RENEWAL

An Opportunity for Major
Transportation Improvement
Through Helicopter/Heliport Systems

Statements to the

Subcommittee on Aviation, Committee

on Public Works and Transportation

U.S. House of Representatives

by

Robert A. Richardson

Executive Director, Helicopter Association of America

March 26, 1980

The Helicopter Association of America, HAA, is an international independent organization of several hundred member companies who own and operate helicopters. We also have several hundred associate members composed of manufacturers of helicopters and equipment and interested citizens. Our services are for hire, corporate and private transportation and for public service. Our members operate in the fields of agriculture, airlines, air-taxi, construction, executive transport, law enforcement, energy exploration, rescue, logging, and many other commercial and civil applications.

The purpose of the HAA is to represent and promote the helicopter interests of our members to government, business and industry, the news media and the public.

Before I tell you of the benefits of, concerns of and solutions required by our industry, I would like briefly to trace its development and economic prospects for the future.

Helicopter operations began in the United States and Germany during World War II, following successful development in the late thirties by Igor Sikorsky and Anton Flettner. This was 30 years later than the airplane because the helicopter required better aerodynamic and propulsive efficiency. The concept of low speed, hovering and vertical landing and takeoff flight is older than airplane flight, particularly appealing to the great inventor Leonardo da Vinci. Thomas Edison, when he first saw the Wright Brothers' biplane making its running takeoff and landing, observed that the airplane was only half invented.

By the end of World War II several hundred helicopters had been produced in the United States and Germany, including 600 of one U.S. model. These were used by the military for search, rescue and utility.

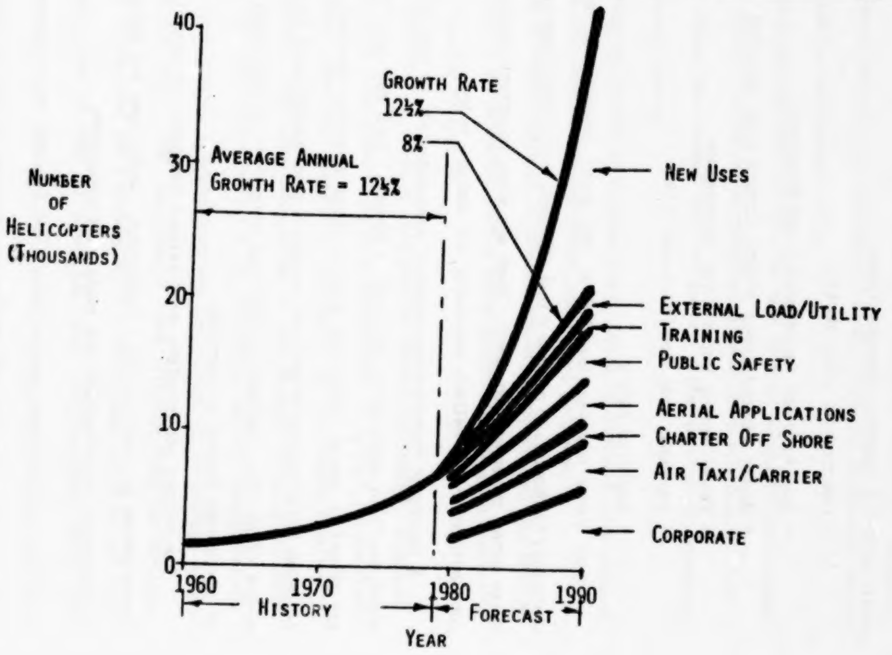
In the late 1940's the first real civil applications began in the United States with mail being delivered to the roofs of post office buildings, such as Los Angeles. This paralleled similar applications of airplanes 30 years earlier. Passenger service began followed by another period of development spawned by the Korean War - where the helicopter came of age. By 1970, at the time of the first ADAP legislation, there were nearly 3000 civil helicopters in the U.S. Fleet. Today, there are over 7000 vehicles. In 1979, our industry employed over 75,000 people in both manufacturing and operating. We manufactured over 900 helicopters and our gross industry revenue was over 1 billion dollars. We were the fastest growth element in the civil aviation industry. We grew at a rate of 15 percent per year - nearly 3 times that of general aviation. By 1990 we estimate that there will be 20,000 civil helicopters operating in the National Airspace. We project that we will manufacture 2000 civil helicopters that year and our industry gross revenue will be over 3 billion 1979 dollars.

Figure 1 further shows the wide applications and phenomenal growth that characterize our industry in the U.S. and Canada.

To what do we attribute this spectacular growth? No small part has been the demand for transportation for the exploration of oil and other energy sources offshore and in remote areas such as Appalachia and Alaska. Helicopter transportation quickly spread to new operations in urban areas as well. Had the industry not developed modern technology helicopters in the 1970s, however, we could not have met this demand.

FIGURE 1

THE HELICOPTER INDUSTRY IN THE U.S. AND CANADA IS GROWING AT 3 TIMES THE GROWTH RATE OF GENERAL AVIATION AND IS THE FASTEST GROWING SEGMENT OF CIVIL AVIATION



These helicopters provided the performance and economic basis for this growth with the following characteristics:

- Designed for Civil Market
- Fuel Efficient Aerodynamics and Propulsion
- Higher Payload/Lower Weight through New Materials
- Fewer Moving Parts/Lower Maintenance
- Increased Ride Comfort/Lower Noise
- Improved Safety

Carl Perry has just testified to the great potential of our modern technology helicopters to provide a fuel efficient, environment tolerant solution to our urban transportation needs. Here are some important examples of our contributions to the nation's commerce and welfare today.

A helicopter transportation system, unprecedented or unequalled in the world, has been exploding in the Gulf of Mexico. Each day over 7000 people are moved to energy production sites in these versatile machines. A single Louisiana based helicopter operator transports more people daily than the most active of all U.S. commuter airlines and owns more aircraft than almost all of the world's largest air carriers.

The nation's public safety organizations recognize the tasks that can be accomplished by - and only by - helicopters. Daily, laws are enforced, crime is suppressed, apprehensions are made with helicopters.

Daily, lives are being saved and hospital emergency rooms are accepting trauma patients delivered by helicopters. Daily, fires are fought and people are evacuated by helicopters.

- During the "Blizzard of '79" the only aircraft taking off and landing at Baltimore-Washington International Airport were helicopters.
- At Three Mile Island only helicopters were capable of furnishing emergency support.
- During the height of tropical storm David, helicopters were pressed quickly into service for evacuation and rescue purposes.

Here is a recent example of how helicopter transportation can provide unique benefits to our economy, with a major contribution to both conserving energy and relieving congestion.

On September 26, 1979, a twin turbine modern technology helicopter challenged a fixed wing business jet to a competition to move 6 people more efficiently from downtown Knoxville, Tennessee, to the World Conference Center in Atlanta. Both used automobiles for connecting transportation when required. Using city center heliports the helicopter system transported the 6 passengers in 1 hour 10 minutes using 560 lbs. of fuel at an average speed of 130 miles per hour. This was clearly more efficient than the airplane system which transported the 6 passengers in 2 hours using 1,210 lbs. of fuel at an average speed of only 88 miles per hour. At the same time, the helicopter transportation bypassed the second busiest airport in the country. This is a prime example of heliports as reliever airports, relieving both air and ground congestion.

This activity emphasizes reality — helicopters are not toys - -helicopters are true working machines that serve not only the nation's people transportation requirements but also the nation's most basic needs - food supply, energy development, forestry, construction, public safety and many others. However, the HAA is vitally concerned today because the helicopter industry is at a critical point in its development. The capabilities of our advanced technology helicopters and the contributions they can make to the National Transportation System are not known to the national, state and local levels of government. As a result, the growth of our industry and its contributions to the general public, such as Carl Perry has just described, is severely limited today by the lack of public-use heliports. Equally limiting is the lack of discrete helicopter airways connecting these heliports. Compared to conventional airports and airways these helicopter facilities are small in both land use and airspace, and simple.

Legislation to date has not helped because it has reflected a general perception that the helicopter has been — at best — a highly specialized piece of military equipment with minimal civil application, and — at worst — a segment of the nation's transportation system so insignificant as to not warrant any particular attention.

Specifically the Airport and Airways Development Act of 1970, ADAP, contained no specific provisions for heliports and helicopter airways. Neither the Administration's proposed ADAP renewal bill, HR 3745 nor the Senate's proposals S-1648 and S-1649, contained such provisions in 1979 in spite of the spectacular growth of our industry since 1970. Furthermore this committee's proposed HR-6721 contains no provisions either.

Let me detail some of the serious problems that can arise as a result of this lack of legislative action.

HELIPORTS: Table I shows the distribution of Public Use Heliports among the 25 largest metropolitan areas in the United States. These cities have a population of over 75,000,000 people or one third the population of the United States. They are a primary target for developing helicopter transportation services because they offer the biggest opportunities to provide point-to-point transportation with greatest potential fuel and time savings. They also incorporate the busiest airports in the United States, most needing reliever airports, of which heliports are outstanding examples. Only 11 have public-use heliports, only four of these are recognized in the National Airport System Plan, and none of these are equipped for all weather operations. The only discrete helicopter airway in the United States runs from Washington, D.C., to Boston, Mass. On December 28, 1979, a twin turbine modern technology helicopter flew from New York City's Wall Street Heliport to Washington in one hour and eleven minutes and from Wall Street Heliport to Boston in just over 59 minutes. These were both new world's speed records. The helicopter in each case could serve downtown heliport destinations. However, no airplane system could compete if either destination city had a public-use heliport.

TABLE I

Distribution of Public Use Heliports Among 25 Largest Cities in U.S.

25 LARGEST CITIES IN U.S.	POPULATION	PUBLIC-USE HELIPORTS
New York, NY	9,634,000	5
Chicago, IL	6,971,000	0
Los Angeles/Long Beach, CA	6,926,000	0
Philadelphia, PA	4,810,000	1
Detroit, MI	4,434,000	1
Boston, MA	3,918,000	0
San Francisco, CA	3,136,000	0
Washington, DC	3,015,000	0
Nassau/Suffolk, NY	2,621,000	0
Dallas/Ft. Worth, TX	2,499,000	5
St. Louis, MO	2,371,000	1
Pittsburgh, PA	2,334,000	0
Houston, TX	2,223,000	2
Baltimore, MD	2,140,000	0
Newark, NJ	2,019,000	2
Minn./St. Paul, MN	2,011,000	1
Cleveland, OH	1,984,000	0
Atlanta, GA	1,776,000	0
Anaheim/Santa Ana/ Garden-Grove, CA	1,661,000	0
San Diego, CA	1,518,000	0
Miami, FL	1,416,000	2
Milwaukee, WI	1,415,000	0
Seattle/Everett, WA	1,396,000	1
Denver/Boulder, CO	1,391,000	2
Cincinnati, OH	1,376,000	0
	75,025,000	23

Jan 1, 1980

We project that this airway, the Northeast Helicopter Corridor, will be servicing at least 500 twin engine fully all-weather capable helicopters by 1990 and hundreds of smaller helicopters. Where are these helicopters going to fly? To the airports where they will further delay congested airplane transportation and contribute nothing to our National Transportation System efficiency? Where are the other 19,000 helicopters going to fly in Nation Airspace in 1990?

* AIRWAYS: - In 1978, a helicopter flying from Wilmington, Delaware, to Bridgeport, Connecticut, under IFR conditions would have been routed a total of 225 miles via airplane airways to cover this 165 mile distance, a 35% penalty in fuel and time! Today our one helicopter airway permits almost direct flights from Wilmington to Bridgeport. However, instrument approaches to the New York City area can only be made with non-precision approaches to and departures from the five Manhattan Island heliports in uncontrolled airspace. There is inadequate radar surveillance and radio communications. In 1978, there were more than 90,000 operations there and it reached 125,000 in 1979. This is one third that of LaGuardia which is in a terminal control area, and the helicopter traffic is increasing much faster. As a result there are frequent delays and aborts of helicopter flights into New York City now.

Nevertheless this is better service than any other city has in the nation. Anywhere else except in the Northeast Corridor helicopters must live with the fuel and time penalties imposed on them by the airplane airways, previously described.

- NAVIGATION: The VORTAC line-of-sight airplane navigation system helicopter operators are forced to use in the National Airspace requires them to fly at altitudes frequently higher than most efficient for helicopter operations in terms of fuel consumption and mission time. In remote areas such as Alaska, where helicopter transportation is vital, and offshore, there is no appropriate navigation system at all.

The operators need a nation-wide low altitude system that will permit them to provide their unique transportation services in congested remote and offshore environments regardless of the weather. This is why we are vigorous supporters of civil application of the NAVSTAR Satellite Navigation System. The HAA has testified in behalf of this requirement to Congress several times.

• **HELIPORTS AND HELICOPTER AIRWAYS PLANNING:** An important reason why so little has been done to develop and implement the helicopter transportation system is that there is no federal guidance or direction for its consideration in the Airport and Airways Development Act of 1970. Furthermore, ten years later there is still no such direction or guidance in the Administration's proposed ADAP renewal bill, HR-3745, the Senate's proposal S-1648 or your proposal, HR-6721. No state's aviation plan contains any direction or guidance. Neither does the FAA's FAR 152 Airport Aid Program. In fact, the words heliport or helicopter airways doesn't even appear in these documents. Although we are told that airports includes heliports, we find that city and state planners don't know this. With the exception of New York City they have not seriously considered helicopter transportation in their plans. This is partly true because they have no idea where the Congress and the Administration stand on this issue. Implying, for example, that helicopter operations are inherent in airplane operations in these ADAP renewal proposal results in applying airplane/airport noise descriptors and abatement procedures to downtown helicopter/heliport operations. Nothing could be less appropriate nor more misleading to city planners.

Table II is a summary of the HAA proposal for heliports and discrete helicopter airway legislation for ADAP renewal. We presented this proposal in our testimony to your Subcommittee on Aviation, September 25, 1979. Our position then was that this program would begin the implementation of a helicopter transportation system that would meet many public transportation needs we have discussed more efficiently than any alternative. Today our position is even stronger than last September because the acceptance of our modern technology helicopters in new transportation roles has considerably exceeded our projections. Therefore, we would like to reiterate our proposal with the following changes to HR-6721 that would effect this proposed legislation.

> Page 12 after Line 13 insert
>
> "Of these sums not less than $50,000,000 shall be granted for public use heliport development and planning in each fiscal year".
>
> Page 13 after line 17 insert:
>
> "Of these sums not less than $50,000,000 shall be authorized to be appropriated for establishing discrete helicopter airway navigation and ATC facilities in each fiscal year".

On February 21, 1980 we testified to the House Subcommittee on Transportation Aviation and Communications on the rationale for and details of our R & D requirements and they are part of the Congressional record. Briefly, we believe that it is essential to the development of this emerging transportation system that R & D and demonstration of key heliports and airways concepts, helicopter noise abatement technology and civil applications of GPS be conducted at the level we have recommended during the next 5 years.

SUMMARY

HAA Positions On
Airport and Airway Improvement Act of 1979

PLANNING

* Public-Use Heliports/ Discrete Helicopter Airways	By Secretary of Transportation	In National Airport System Plan
* Local Public-Use Heliports	By State/Local Governments	As Part of Requirements for Federal Airport Grants
* Heliport/Helicopter Noise Description and Abatement	By Secretary of Transportation	In Noise Description Systems Development and Abatement Plans

FUNDING (5 Years)

* Public-Use Heliport Grants		$250 M
* Discrete Helicopter Airways		$250 M
* Heliports/Discrete Helicopter Airways R&D and Demonstration		$ 75 M
* Heliport/Helicopter Noise Abatement R&D		$ 25 M
* Civil Application of NAVSTAR GPS R&D		$ 25 M
	Total	$625 M

9/6/79

TABLE II

Therefore we request the following changes to HR-6721 for fiscal year 1981:

Page 14 between line 17 and 18 insert:

"(E) $25,000,000 for heliports, discrete helicopter airways, helicopter noise abatement and civil applications of NAVSTAR GPS.

Mr. Chairman and Committee, the HAA is here today to respectfully seek the fostering by Congress of helicopter transportation in the National Airspace. This is the same kind of fostering that Congress gave airplane transportation in the 1930's. Without such fostering we would not have the national aviation transportation system we have today. Without it we cannot provide the important helicopter transportation system the public needs in the future.

BIOGRAPHY

CARL DEAN PERRY

Executive Vice President
Hughes Helicopters

Carl Dean Perry has spent all of his working career in the aerospace industry with the Hughes organization. He joined the Aircraft Division of the Hughes Tool Company in 1959 as Assistant to the Vice President of Marketing and has since served in positions of progressive responsibility.

During his 20 years with Hughes, Mr. Perry has served in key managerial posts connected with every major company program. In 1968, he was assigned to direct all government and military operations for the company and in 1971 was advanced to the position of Vice President of Marketing, headquartered in Washington, D. C. with full responsibility for Hughes' field operations. In June 1976, he was given additional responsibility for all corporate commercial, military and international sales and marketing activities throughout the world. In 1979, Mr. Perry was elected by the Board of Directors of Summa Corporation to serve as the Executive Vice President with the responsibility of chief operating officer.

Mr. Perry attended the University of California at Berkeley and the University of California at Los Angeles receiving a Bachelors Degree in International Relations and Political Science from the latter in 1954. He also attended graduate courses at the Free University of Berlin and the UCLA School of Business Management.

Born in Santa Barbara, California, on 26 June 1932, Mr. Perry served in the United States Army from 1955 to 1959. During his military service, he was assigned as Aide-de-Camp to the United States Commanding General in Berlin.

Mr. Perry is active in a number of aerospace organizations. He has served as President of the Los Angeles Chapter of the Association of the United States Army, President of the Los Angeles Chapter Army Aviation Association, a member of the Board of Directors and Executive Committee of the National Army Aviation Association of America, and a member of the Board of Directors of the American Helicopter Society.

TESTIMONY TO THE HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE

by

CARL D. PERRY
EXECUTIVE VICE PRESIDENT
HUGHES HELICOPTERS

26 March 1980

Helicopter usage in the United States is being restricted because of the lack of support given this national asset by Government on national, state and local levels.

The potential of this fastest growing segment of commercial aviation can only be realized if provisions are made for adequate terminal and enroute facilities. Public-use heliports in population centers and special helicopter airways and approach controls will provide numerous benefits to the national transportation system. Conventional airport and fixed-wing traffic congestion will be eased; people can move more efficiently within cities and between cities as much as 400 miles, saving time, fuel and traffic congestion. The establishment of public-use heliports and helicopter airways also provide a proven system for emergency transportation. The need for national support of helicopter transportation is based on the helicopter's ability to provide improved productivity in accomplishing industrial, agricultural and business tasks at significant cost savings, which contributes to the national economic development. Significantly, the helicopter is also making a crucial contribution to the development of energy resources and the conservation of fuel.

This nation has, historically, ensured its future commerce and welfare by developing its various transportation systems -- the railroads, the highway system and the airways. All of these transportation systems provided stimuli, crucial to the nation's growth.

Now we are challenged to take the next step -- development of a system which provides significant support for national helicopter transportation.

But, for all of the helicopter's virtues, the support elements for a viable helicopter transportation system have gone unfulfilled. To expand the benefits of productivity, cost savings and energy savings on a national basis requires a national effort. This must be initiated with the development of national planning and implementation of heliports and helicopter airways. This can be achieved through the proposed 1980 legislation for airport and airway improvement.

INDUSTRY GROWTH

The helicopter industry has achieved an accelerated rate of growth. It is now delivering about 1,000 new helicopters each year, and we project 2,000 aircraft produced annually by 1990, at an industry gross revenue over three billion dollars. Currently, the commercial helicopter fleet numbers over 7,000 vehicles and is expected to reach over 20,000 by the end of 1990.

Helicopter operations in the United States will be over 1.5 million flight hours in 1980. This represents over 6 million landings and takeoffs which will result in more than 10 million person-trips.

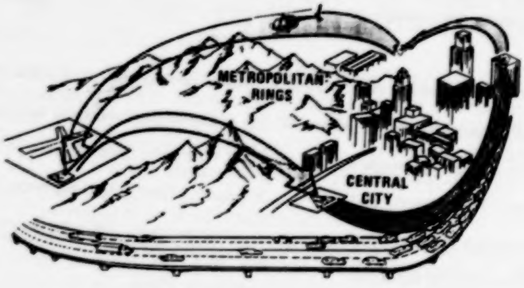
In its 34-year history, the helicopter industry has made significant contributions to U.S. commerce. Helicopters and the industry are vitally involved in energy and resource developments in the United States and throughout the world. Helicopters are operating daily in urban areas, remote areas, and off-shore. As an example of commercial helicopter operational maturity, one operator is logging close to 30,000 flight-hours per month and carrying close to 130,000 passengers each month. This is greater than the busiest commuter airline in the U.S. Fifteen to twenty operators are engaged in the movement of persons off-shore. It is conservatively estimated that helicopter operators in the Gulf of Mexico are moving at least 6,500 persons each day, and in some instances, 7 days a week. Helicopters are also involved in intrastate powerline and gas pipeline patrol. The effect of this activity has been a significant savings in the cost of energy.

Helicopters have also made a significant contribution to business transportation and energy conservation in numerous cities around the U.S. Major corporations have been able to locate satellite plant facilities nearer residential areas reducing travel of thousands of employees. Corporate headquarters have remained in the central city close to financial centers. This has been achieved by the use of helicopters operating between city centers and satellite facilities permitting management lines of communication. A satellite plant of 500 employees who save an average daily round trip of 30 miles driving to work, save up to 250,000 gallons of fuel per year. This is now a day-to-day reality in many major cities.

FUTURE REQUIREMENTS

The benefits of intracity and intercity helicopter transportation are now becoming widely recognized. In Los Angeles, consideration is being given to an intracity

Helicopter Transportation System as shown in Figure 1. This will consist of a series of public-use heliports 10 to 20 miles apart located in the central city and metropolitan rings. Light turbine helicopters operating on a bus-type schedule would provide fast, safe, convenient, low cost quasi-rapid transit for support of city commerce. The Helicopter Transportation System could be acquired at 20 percent of the cost of a comparable, low cost surface transit system, with a minimal requirement for land and a minimal impact on the surrounding environment. Furthermore, the time saved in traveling on this System will provide as much as a 100 percent increase in productivity for the business user.



- SERIES OF HELIPORTS
- 16 TO 32 KM (10 TO 20 MI) SEPARATION
- BUS-TYPE SCHEDULE
- INTERMODAL CONNECTION WITH TAXIS
- LIGHT TURBINE HELICOPTERS

Figure 1. Helicopter Transportation System

Notwithstanding the significant contributions of helicopters and the helicopter industry, the national transportation plan and the national airport system plan do not address heliports or helicopters as an important entity in the national transportation system. This is paradoxical in light of the business activity generated by the helicopter industry and the unique contributions helicopters are making. Recognition is urgently required. This is related to the need for airways and airport traffic relief for all aircraft. The helicopter's capability for vertical takeoff and landing, hover, and low altitude safe flight under IFR and VFR conditions, permit helicopter operations on a noninterference basis with civil transportorts and other general aviation aircraft. Thus, helicopter traffic can be directed along discrete airways into and out of heliports, relieving congestion at airports. In essence, helicopters would provide for the development of a relief airport and airways system, particularly for intercity travel. However, such a system is nonexistent.

The helicopter industry is entering a major new phase of growth in the area of executive/business transport. Over 400 light twin-engine transport helicopters and over twice that number of single-engine light transport helicopters are now on order which will be used for intracity and intercity transportation. However, only 1/3 of the major cities in the U.S. have public-use heliports which seriously limit the economic and energy benefits that can be obtained.

CONGRESSIONAL ACTION

In order to continue the growth of helicopter transportation and its contributions to the national economy, the industry needs Congressional action in the new ADAP legislation. The new legislation needs to recognize that helicopters exist; that they are an important element in our national aviation system; that they have unique needs; that heliports differ from airports; and that helicopter airways have different requirements than fixed-wing airways. These actions will provide for helicopter transportation what has already been provided for fixed-wing aircraft, trains and automobile transportation; namely, the facilities for routing and embarking passengers. The results will be synergistic since investments in helicopter transportation will benefit the overall U.S. transportation system and the American public.

Mr. **Fary**. Please proceed.

TESTIMONY OF CARL D. PERRY, EXECUTIVE VICE PRESIDENT, HUGHES HELICOPTERS; ACCOMPANIED BY ROBERT RICHARDSON, EXECUTIVE DIRECTOR, HELICOPTER ASSOCIATION OF AMERICA (HAA); RICHARD STUTZ, CHAIRMAN, HELIPORT/AIRWAY ACTION GROUP, HAA; GLEN GILBERT, HAA; AND RICHARD HODGKINS, HAA (IMMEDIATE PAST DIRECTOR, DEPARTMENT OF AERONAUTICS, STATE OF MASSACHUSETTS; STANLEY R. SPECTOR, ASSISTANT TO THE PRESIDENT, HUGHES HELICOPTERS, REPRESENTATIVE OF THE HELIPORT/AIRWAY ACTION GROUP

Mr. **Richardson**. Mr. Chairman, with your permission, my name is Robert Richardson. Mr. Perry has asked me to introduce another member of our panel here, who is not on the agenda, Mr. Stanley Spector, who is a representative of the Heliport/Airway Action Group (HAAG), of which Richard Stutz is the chairman, and Glen Gilbert is also on that group.

Mr. **Fary**. The record will so indicate.

Mr. **Richardson**. Thank you. We should like to conduct ourselves in this manner, if you do not object, Mr. Chairman. Mr. Perry would like to start off with a summation of his written submission, followed by myself, and although Mr. Richard Hodgkins has not had an opportunity to make a written submission, he has prepared a short oral statement that he would like to make as an aviation observer with our group.

Mr. **Fary**. Without objection.

All right, Mr. Perry, you may proceed.

Mr. **Perry**. Thank you very much, Mr. Chairman.

Helicopter usage in the United States is being restricted because of the lack of support given this national asset by government on national, State, and local levels.

The potential of this fastest growing segment of commercial aviation can only be realized if provisions are made for adequate terminal and en route facilities. Namely, public-use heliports in population centers and special helicopter airways and approach controls which will provide numerous benefits to the national transportation system as a result. Conventional airport and fixed-wing traffic congestion will be eased; people can move more efficiently within cities and between cities as much as 400 miles, saving time, fuel, and traffic congestion. The need for national support of helicopter transportation is based on the helicopter's ability to provide improved productivity in accomplishing industrial, agricultural and business tasks at significant cost savings, which contributes to the national economic development. Significantly, the helicopter is also making a crucial contribution to the development of energy resources and the conservation of fuel.

But, for all of the helicopter's virtues, the support elements for a viable helicopter transportation system have gone unfulfilled. To expand the benefits of productivity, cost savings, and energy savings on a national basis requires a national effort. This must be initiated with the development of national planning and implementation of heliports and helicopter airways. This can be achieved through the proposed 1980 legislation for airport and airway improvement.

Now, for a moment, I should like to discuss the growth of our helicopter industry.

The helicopter industry has achieved an accelerated rate of growth. It is now delivering about 1,000 new helicopters each year, and we project 2,000 aircraft produced annually by 1990, at an industry gross revenue over $3 billion. Currently, the commercial helicopter fleet numbers over 7,000 vehicles and is expected to reach over 20,000 by the end of 1990. This, in our opinion, is significant growth.

Helicopter operations in the United States will be over 1.5 million flight-hours in 1980. This represents over 6 million landings and takeoffs which will result in more than 10-million person-trips.

In its 34-year history, the helicopter industry has made significant contributions to U.S. commerce. Helicopters and the industry are vitally involved in energy and resource developments in the United States and throughout the world. Helicopters are operating daily in urban areas, remote areas, and offshore. As an example of commercial helicopter operational maturity, one operator is logging close to 30,000 flight-hours per month and carrying close to 130,000 passengers each month. This is greater than the busiest commuter airline in the United States.

Helicopters have also made a significant contribution to business transportation and energy conservation in numerous cities around the United States. Major corporations have been able to locate satellite plant facilities nearer residential areas reducing travel of thousands of employees. Corporate headquarters have remained in the central city close to financial centers. This has been achieved by the use of helicopters operating between city centers and satellite facilities permitting management lines of communication. A satellite plant of 500 employees who save an average daily round trip of 30 miles driving to work, save up to 250,000 gallons of fuel per year. This is now a day-to-day reality in many major cities.

Now, I should like to address some future requirements for helicopter transportation.

The benefits of intracity and intercity helicopter transportation are now becoming widely recognized. In Los Angeles, consideration is being given to an intracity helicopter transportation system. This will consist of a series of public-use heliports 10 to 20 miles apart located in the central city and metropolitan rings. Light turbine helicopters operating on a bus-type schedule would provide fast, safe, convenient, low-cost quasi-rapid transit for support of city commerce. The heliport transportation system could be acquired at 20 percent of the cost of a comparable, low-cost surface transit system, with a minimal requirement for land and a minimal impact on the surrounding environment. Furthermore, the time saved in traveling on this system will provide as much as a 100-percent increase in productivity for the business user.

Notwithstanding the significant contributions of helicopters and the helicopter industry, the national transportation plan and the national airport system plan do not address heliports or helicopters as an important entity in the national transportation system. This is paradoxical in light of the business activity generated by the helicopter industry and the unique contributions helicopters are making. Recognition is urgently required. This is related to the need for airways and airport traffic relief for all aircraft. The helicopter's capability for vertical takeoff and landing, hover, and low altitude safe flight under IFR and VFR conditions, permit helicopter operations on a noninterference basis with civil transports and other general aviation aircraft. Thus, helicopter traffic can be directed along discrete airways into and out of heliports, relieving congestion at airports. In essence, helicopters would provide for the development of a relief airport and airways system, particularly for intercity travel. However, such a system is nonexistent.

The helicopter industry is entering a major new phase of growth in the area of executive/business transport. Over 400 light twin-engine transport helicopters and over twice that number of single-engine light transport helicopters are now on order which will be used for intracity and intercity transportation. However, only one-third of the major cities in the United States have public-use heliports which seriously limits the economic and energy benefits that can be obtained.

In conclusion, I would like to suggest some support that we feel is necessary from a congressional standpoint.

In order to continue the growth of helicopter transportation and its contributions to the national economy, the industry needs congressional action in the new ADAP legislation. The new legislation needs to recognize that helicopters exist; that they are an important element in our national aviation system; that they have unique needs; that heliports differ from airports; and that helicopter airways have different requirements than fixed-wing airways. These actions will provide for helicopter transportation what has already been provided for fixed-wing aircraft, trains and automobile transportation; namely, the facilities for routing and embarking passengers. The results will be synergistic since investments in helicopter transportation will benefit the overall U.S. transportation system and the American public.

Mr. Chairman, that concludes my remarks, and I think that Mr. Richardson would like to continue on with more detail.

Thank you.

Mr. **Fary.** Mr. Richardson.

Mr. **Richardson.** Thank you, Mr. Chairman, and the committee staff members.

The Helicopter Association of America, HAA, is an international independent organization of close to 500 member companies who own and operate helicopters. We also have just over 300 associate members composed of manufacturers of helicopters and equipment and interested citizens. Our services are for-hire, corporate, and private transportation, and for public service. Our members operate in the fields of agriculture, airlines, air-taxi, construction, executive transport, law enforcement, energy exploration, rescue, logging, and many other commercial and civil applications.

In 1979, our industry employed over 75,000 people in both manufacturing and operating. We manufactured over 900 helicopters and our gross industry revenue was over $1 billion. We were the fastest growth element in the civil aviation industry. We grew at a rate of 15 percent per year—nearly three times that of general aviation. By 1990, as Mr. Perry has already told you, we estimate that there will be 20,000 civil helicopters operating in the national airspace. We project that we will manufacture 2,000 civil helicopters that year and our industry gross revenue will be over $3 billion for 1979.

Current general aviation civil helicopters provided the performance and economic basis for this growth with the following characteristics:

They are designed for civil market.

They feature fuel efficient aerodynamics and propulsion.

Higher payload/lower weight through new materials.

Fewer moving parts/lower maintenance.

Increased ride comfort/lower noise.

Improved safety.

Here is a recent example of how helicopter transportation can provide unique benefits to our economy, with a major contribution to both conserving energy and relieving congestion.

On September 26, 1979, a twin turbine modern technology helicopter challenged a fixed wing business jet to a competition to move six people more efficiently from downtown Knoxville, Tenn., to the World Conference Center in Atlanta. Both used automobiles for connecting transportation when required. Using city center heliports, the helicopter system transported the six passengers in 1 hour, 10 minutes, using 560 pounds of fuel at an average speed of 130 miles per hour. This was clearly more efficient than the airplane system which transported the six passengers in 2 hours, using 1,210 pounds of fuel at an average speed of only 88 miles per hour. At the same time, the helicopter transportation bypassed the second busiest airport in the country. This is a prime example of heliports as reliever airports, relieving both air and ground congestion.

Legislation to date has not helped because it has reflected a general perception that the helicopter has been—at best—a highly specialized piece of military equipment with minimal civil application, and—at worst—a segment of the Nation's transportation system so insignificant as to not warrant any particular attention.

Now let me detail some of the serious problems that can arise as a result of this lack of legislative action.

First of all, with respect to heliports: Table I of our written submission shows the distribution of public use heliports among the 25 largest metropolitan areas in the United States. These cities have a population of over 75 million people or one-third the population of this country. They are a primary target for developing helicopter transportation services because they offer the biggest opportunities to provide point-to-point transportation with greatest potential fuel and time savings. They also incorporate the busiest airports in the United States, most needing reliever airports, of which heliports are outstanding examples.

Only 11 have public use heliports, only 4 of these are recognized in the national airport system plan, and none of these are equipped for all-weather operations. The only discrete helicopter airway in the United States runs from Washington, D.C., to Boston, Mass. On December 28, 1979, a twin turbine modern technology helicopter flew from New York City's Wall Street Heliport to Washington in 1 hour and 11 minutes, and from Wall Street Heliport to Boston in just over 59 minutes. The helicopter in each case could serve downtown heliport destinations. However, no airplane system could compete if either destination city had a public-use heliport—which they don't.

We project that this airway, the northeast helicopter corridor, will be servicing at least 500 twin-engine fully all-weather-capable helicopters by 1990 and hundreds of smaller helicopters.

In terms of airways: In 1978, a helicopter flying from Wilmington, Del., to Bridgeport, Conn., under IFR conditions would have been routed a total of 225 miles via airplane airways to cover this 165-mile distance, a 35-percent penalty in fuel and time. Today our one helicopter airway permits almost direct flights from Wilmington to Bridgeport. However, instrument approaches to the New York City area can only be made with nonprecision approaches to and departures from the five Manhattan Island heliports in uncontrolled airspace. There is inadequate radar surveillance and radio communications.

In 1978, there were more than 90,000 operations there and it reached 125,000 in 1979. This is one-third that of La Guardia which is in a terminal control area, and the helicopter traffic is increasing much faster. As a result, there are frequent delays and aborts of helicopter flights into New York City now.

Nevertheless, this is better service than any other city has in the Nation. Anywhere else, except in the northeast corridor, helicopters must live with the fuel and time penalties imposed on them by the airplane airways, previously described.

Navigation: The VORTAC line-of-sight airplane navigation system helicopter operators are forced to use in the national airspace requires them to fly at altitudes frequently higher than most efficient for helicopter operations in terms of fuel consumption and mission time. In remote areas, such as Alaska, where helicopter transportation is vital and offshore, there is no appropriate navigation system at all.

The operations need a nationwide low altitude system that will permit them to provide their unique transportation services in congested, remote, and offshore environments regardless of the weather. This is why we are vigorous supporters of civil application of the NAVSTAR satellite navigation system. The HAA has testified in behalf of this requirement to Congress several times.

Heliports and helicopter airways planning: An important reason why so little has been done to develop and implement the helicopter transportation system is that there is no Federal guidance or direction for its consideration in the Airport and Airways Development Act of 1970. Furthermore, 10 years later, there is still no such direction or guidance in the administration's proposed ADAP renewal bill, H.R. 3745, the Senate's proposal, S. 1648, or your proposal, H.R. 6721. No State's aviation plan contains any direction or guidance. Neither does the FAA's FAR part 152, airport aid program. In fact, the words heliport or helicopter airways does not even appear in these documents.

Although we are told that airports includes heliports, we find that city and State planners do not know this. With the exception of New York City, they have not seriously considered helicopter transportation in their plans. This is partly true because they have no idea where the Congress and the administration stand on this issue. Implying, for example, that helicopter operations are inherent in airplane operations in these ADAP renewal proposal results in applying airplane/airport noise descriptors and abatement procedures to downtown helicopter/heliport operations. Nothing could be less appropriate nor more misleading to city planners.

Table II is a summary of the HAA proposal for heliports and discrete helicopter airway legislation for ADAP renewal. We presented this proposal in our testimony to your Subcommittee on Aviation, September 25, 1979. Our position then was that this program would begin the implementation of a helicopter transportation system that would meet many public transportation needs we have discussed more efficiently than any alternative. Today our position is even stronger than last September because the acceptance of our modern technology helicopters in new transportation roles has considerably exceeded our projections. Therefore, we would like to reiterate our proposal with the following changes to H.R. 6721 that would effect this proposed legislation.

Page 12 after line 13 insert: "Of these sums not less than $50 million shall be granted for public use heliport development and planning in each fiscal year."

Page 13 after line 17 insert: "Of these sums not less than $50 million shall be authorized to be appropriated for establishing discrete helicopter airway navigation and ATC facilities in each fiscal year."

On February 21, 1980, we testified to the House Subcommittee on Transportation Aviation and Communications on the rationale for and details of our R. & D. requirements and they are part of the Congressional Record. Briefly, we believe that it is essential to the development of this emerging transportation system that R. & D. and demonstration of key heliports and airway concepts, helicopter noise abatement technology and civil applications of GPS can be conducted at the level we have recommended during the next 5 years.

Therefore, we request the following changes to H.R. 6721 for fiscal year 1981:

Page 14 between line 17 and 18 insert: "(E) $25 million for heliports, discrete helicopter airways, helicopter noise abatement and civil applications of NAVSTAR GPS."

Mr. Chairman and committee, the HAA is here today to respectfully seek the fostering by Congress of helicopter transportation in the national airspace. This is the same kind of fostering that Congress gave airplane transportation in the 1930's. Without such direct support we would not have the national aviation transportation system we have today. Without it we cannot provide the important helicopter transportation system the public needs in the future.

That concludes my remarks, Mr. Chairman, and with your kind permission we would like Mr. Hodgkins to say a few words.

Mr. **Fary**. Without objection.

Proceed, Mr. Hodgkins.

Mr. **Hodgkins**. Thank you, Mr. Chairman.

My purpose in appearing before this committee concerns a discovery made during my tenure as director of aviation for the Commonwealth of Massachusetts.

One of the primary responsibilities of the director of aviation was to initially prepare and regularly update the State airport system plan. The system plan is essentially a planning tool and provides for the programed improvement of the aviation facilities with the Commonwealth. In the process of updating the plan, it became quite apparent that we were remiss in not addressing the helicopter. For many years a great deal of time, energy, and money had been directed toward improving a system of air transportation that either totally disregarded the helicopter, or at best barely acknowledged its existence.

To assist us in developing a more realistic and practical system plan we enlisted the support of the public agencies of the city of New York which are responsible for the regulation, control, and development of helicopter activities.

As a result of this, as well as other exchanges of information, a system plan which we believe properly represents the existing and future requirements for helicopters, and heliports, and the commissioning of a feasibility study and site selection survey for a major metropolitan heliport in downtown Boston, were approved.

Mr. Chairman, I am not suggesting that every State director commission a city center heliport study similar to those currently underway in New York, New Orleans, and Boston. I suggest, however, that the Federal Aviation Administration which, through the planning grant program provides the major portion of funding for State airport system planning, encourage or perhaps require the assessment of the need for helicopter facilities within that State.

In view of the well documented and impressive growth rate of the helicopter industry in recent years, a realistic approach to system planning is in order.

Thank you, Mr. Chairman.

Mr. **Richardson**. At this time, Mr. Chairman, we would be very happy to undertake any questions that you might have.

We have no further oral statements to render.

Mr. **Fary**. All right.

Mr. Perry, in your testimony you suggest that there are energy benefits to be realized through helicopter transportation. On a per passenger basis, how does helicopter transportation compare to other air transportation and ground modes in terms of energy efficiency?

Mr. **Perry**. Mr. Chairman, I think we can say that the helicopter is comparable to ground transportation. Certainly it is very comparable to fixed-wing aviation, and quite comparable to ground transportation. Mainly because of the time saved in going to and from a point.

The helicopter consumes a little more fuel than an automobile, but on the other hand the ability to get to a destination faster, saves a great deal of time, and in the overall, can save energy.

We made the point earlier of using the helicopter to transport executives out to satellite facilities. The moving of facilities out to suburban areas, rural areas, closer to where people work. We save fuel by allowing the management to set out satellite facilities, allow the workers to live closer to where they work, using the helicopter as a means of transporting the management to and from these facilities.

So the helicopter, I think, basically is comparable to other types of transportation in terms of energy.

Perhaps, Bob, you would like to elaborate on that, also?

Mr. Richardson. I am not in a position to cite any statistics, but I fairly recently was exposed to a presentation by one of the offshore operaters in the Gulf of Mexico, showing the tremendous savings in energy using helicopters over large work boats, in moving crews in the offshore environment, where, of course, the helicopter has been enormously successful.

There may well be relatively short ranges of 10—I forget exactly what their chart shows, perhaps up to 10, 15, 20 miles, where a large work boat might possibly be more effective, but when you get beyond those ranges, the helicopter came away very clearly a winner in terms of relative fuel consumption over a large work boat, which is somewhat slower.

Most of the offshore rigs and platforms now are getting into the 100-mile offshore range, and of course, many of them far beyond that, almost twice that.

Mr. Fary. Mr. Richardson, are the funding levels you propose, a total of $625 million for 5 years, intended to be an addition to the authorizations proposed in H.R. 6721 or a part of those authorizations?

Mr. Richardson. Mr. Chairman, the research and development money, $125 million that we have recommended, that is an addition, and the balance of the funding is included.

Mr. Gilbert. May I just say, Mr. Chairman, to follow up with what Mr. Richardson just said, in the R. & D. portion of the bill, the authorization level is set at $85 million. Our proposal for R. & D., for the FAA to do certain things in the research and development field, which we have enumerated, is over and above that $85 million.

In the case of ADAP and F. & E., or facilities and equipment, for the figures that you put in the bill, we have said, that not less than so much shall be made available for heliport development in the R. & D. case, heliport construction in that case, and in the other case for the procurement of equipment necessary for helicopter airways.

So if you understand the differentiation, R. & D. is over what is in the bill. The other two factors, the ADAP for heliports, and F. & E. for helicopter airways, are within the amounts that you have proposed in the bill.

Mr. **Fary.** What were the reasons for the lack of success of the CAB certificated helicopter carriers? Have the underlying problems changed, or are they likely to change in the near future?

Mr. **Richardson.** Perhaps I could take a shot at that, Mr. Chairman.

I think that one of the big factors that is happening in this industry right now is an enormous improvement in the technology. The helicopters that were used in the late fifties and on into the middle sixties—albeit we did get into turbine equipment with the S61 in those days, they were used by some of the scheduled helicopter airlines—that technology is 20 to 25 years old, and now, with new composite materials, new techniques for vibration isolation, and the decline of both ambient noise in the cabin, and outside the machine, we do indeed have a new generation of helicopters, and I think this is going to make an enormous difference in the practicality of helicopter transportation in the future.

Mr. **Stutz.** May I add to that, Mr. Chairman, please?

Mr. **Fary.** You may, please.

Mr. **Stutz.** I am Richard Stutz, for the record, chairman of the HAA Heliport/Airway Action Group.

One other thing that we mentioned briefly in Mr. Richardson's testimony, was for the first time modern technology helicopters are being designed for the commercial market. The machines that you asked us about, that had been in the CAB authorized airlines, were all military aircraft, developed for military missions, and somehow modified to be commercial, commercial applications with a lot of loss in the basic efficiency, productivity, and were not very satisfactory, any more than some military transports or bombers would make good civil air transports.

So for the first time we have designed from scratch civil helicopters, designed just for that purpose, to a specification, which of course is controlled by the FAA, that best suits commercial requirements, and as we pointed out, they are much more fuel efficient than what we had 25 years ago, and propulsion efficient. They have much higher payloads and weights in the new materials, fewer moving parts, and lower maintenance, and improved safety, and ride comfort, along with lower noise.

All of these are big improvements over what we had in the CAB commercial, the military helicopters several years ago.

Mr. **Fary.** Thank you very much.

One other question.

To what extent should the Federal Government promote heliports in downtown areas when there are local objections because people believe there will be environmental or safety problems?

Any of you gentlemen wish to answer that?

Mr. **Richardson.** I think, Mr. Chairman, perhaps we could best answer that by saying this. I do not know what the concern for the environment was, or for safety was, back in say the late twenties, and on into the thirties, when people sat down to think about some kind of a system of aircraft moving from point to point, a system of airways, if you will. Nonetheless, whether there was a lot of clamor in opposition to that, back in those days, 40 years ago or more, someone sat down and talked about laying down runways, and in putting together what we now call airports, both on the groundside and on the airside. These have evolved into enormous complexities.

If that had not happened, as I brought out in my testimony, we would not have the airline, or the air transport system that we have in the United States today. This situation is now coming on with the helicopter, and we think that as it seemed to make good sense and ultimately came about in our history, that our air transport system was put into place, we are now saying that here is another very important element. We are here today, and we have not done any planning. We just pointed out that the Federal Government has ignored this system of transportation, and that if we do not do something about it, there just simply will not be any place for these excellent and efficient pieces of equipment to become effective, to become an effective part of our air transportation system.

Mr. PERRY. Could I enter into this also, sir?

I am Carl Perry of Hughes Helicopters.

As a manufacturer, we are very much concerned of the issue that you raise. It is true that in the past, and perhaps even today, there are city planners who bring up the concern of noise, of safety, environmental issues that many residents in the local areas bring forth. That is perhaps the greatest reason that we need some legislation, some help and recognition from you at the Federal level, because the reality of life simply is, the helicopter is here and now.

As one of the other presidents of one of the corporations testified, the helicopter is not a toy. It is real. The fact is that we are producing 1,000 helicopters a year—my company alone produces one-half that amount in Los Angeles—and we are talking of going to 2,000 a year. It is real, it is going to happen, and so we have to do something now, because 5 years from now, if we do not do something, we are going to be greatly concerned about what we are going to do with heliport control, what we are going to do in navigational systems, what we are going to do in terms of traffic control.

We have an opportunity, and we recognize the demands made upon the money in this particular bill, and the fact that there may have to be budget cuts. We recognize these issues and the need for resources for the airports, and the fixed-wing community, but our attempt here is as a group of operators, owners, users, and manufacturers, is to make this plea that it is a fact of life that we are going to be a very dominant force in aviation.

We are now at the point of growth that the Beech Pipers and Cessnas were in the thirties, and that curve of production and utilization is going to go up exponentially. So we have not solved how to get to the city planner, but as manufacturers and designers, we worked on noise. As an industry, we are capable of today reducing helicopter noise by one-half of what existed in helicopters a few years ago. We can reduce noise that significantly.

The helicopter safety record stands on its own, and there are gentlemen here who can discuss that far better than myself, but on an accident basis per 100,000 hours, the helicopter compares to the general aviation safety records. So we have the obligation as manufacturers to make them safe, and to make them conform to the environment, because the user requires that that be done.

The cities will require it. What we need, though, is the ability, with this legislation, to recognize heliports, and not airports, so that city planners will come and get the guidance, and use the FAA, and the guidance there to develop these heliports, and these helicopter airways.

Mr. **Fary**. I look forward to rooftop operations, personally.

Mr. Chairman, that concludes the questioning that I have, unless you have any other questions.

Mr. **Anderson** [presiding]. No.

Counsel?

Mr. **Filler**. I guess this question is for any gentleman on the panel.

I am curious what happens when you approach a city planner who is ignorant of the fact that ADAP funds are available for heliports. Are you able to convince them that they should file an application with the FAA?

Mr. **Perry**. We would like Mr. Spector on our planning group to discuss that, because he has had that task in the city of Los Angeles, as an example.

Mr. **Spector**. In addition to my function as a member of the Heliport/Airways Action Group, I also have the responsibilities of chairing the heliport selection site for the Los Angeles Chamber of Commerce, and it has been our position to convince city planners to apply for ADAP funds relative to the development of heliports and public-use heliports.

The reaction that we get from most of the planners is that if application is made for ADAP funds, that it is likely to affect their more important concerns for fixed-wing airport facilities, and consequently they are reluctant to use the opportunities to apply for these funds, and it tends to take a backseat then to general airport requirements.

Mr. **Filler**. Since ADAP requests are generated by an application from an airport sponsor, how then can you set a minimum setaside for heliport ADAP funds without sponsors coming in and actually requesting their money?

Mr. **Spector**. I do not believe that you can.

I certainly abide with the notion that as the law requires, you must have sponsorship. So, as an organization, either as the Los Angeles Chamber of Commerce and as part of the Helicopter Association of America, we have undertaken to work with the State planners and, for example, the Southern California Association of Governments who have a transportation committee to foster the development of helicopter transportation systems that Mr. Perry described in his presentation. And we have now found that there is some small support at that level to try to incorporate within, say, the plan of the Southern California Association, the need for heliports and helicopter transportation.

So it is a slow growth and it needs to be conducted on a national level which we are presently considering.

Mr. **Filler**. I noticed DOT came out with some figures, I think last week or a couple of weeks ago, indicating that 110 heliports closed in 1979.

Can you tell us what was done by HAA to try to stop some of those heliports from closing?

Mr. **Richardson**. I am Bob Richardson. Maybe I can answer that.

The incidence of heliport closings, many of them are private and personal use heliports that come and go by virtue of the fact that there is a usage of—cessation of usage of helicopters for one reason or another. I am not aware of any public use heliports having been closed, but then we have precious few of those around the country as we already indicated.

What does the HAA do about that? We have a Heliport Research and Development Council that meets at least once or twice a year and carries on projects to encourage the establishment of helicopters, of helicopter use and heliports, and at the same time attempt, as GAMA does, and AOPA does with airports, to see that existing heliports are not closed.

We have recently gone to considerable expense, and this is on the positive side, to develop an illustrated booklet which really takes you through the FAA Heliport Design Guide. It is designed as an attractive pamphlet by the AIA, HAA and NBAA to act as a guidebook for city planners and fathers and those engaged in land use and the like to learn more in layman's language, with plenty of illustrations, about how to establish heliports. We would be hopeful that that publication would also contribute in some small way to the prevention of the closure of the existing heliports. Because it certainly points out the value of heliports to any jurisdiction.

Mr. **Filler**. Thank you very much, gentlemen.

Thank you, Mr. Chairman.

Mr. **Anderson**. Thank you very much for your presentations.

We are going to recess for about 10 minutes while we go vote and we will come right back.

[Short recess.]

Mr. **Anderson**. The subcommittee will come to order.

In this one, we lined up Don Reilly and we have the whole thing thrown at us. I had to put my glasses on. It is Reilly, Pattarini, Raffety, Abernathy and Corbett, Incorporated.

If you could justify why you are not here by yourself, as it says here.

TESTIMONY OF J. DONALD REILLY, EXECUTIVE VICE PRESIDENT, AIRPORT OPERATORS COUNCIL INTERNATIONAL; ACCOMPANIED BY CAESAR B. PATTARINI, DIRECTOR OF AVIATION, THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, AOCI PRESIDENT; THOMAS A. RAFFETY, DIRECTOR OF AVIATION, SAN ANTONIO INTERNATIONAL AIRPORT, TEXAS, AOCI FIRST VICE PRESIDENT; WATER A. ABERNATHY, EXECUTIVE DIRECTOR, PORT OF OAKLAND, CALIF., CHAIRMAN, AOCI GOVERNMENTAL AFFAIRS COMMITTEE; AND J. J. CORBETT, AOCI VICE PRESIDENT, FEDERAL AFFAIRS

Mr. **Reilly**. We have to even the odds up. We knew you would be here.

For the record, Mr. Chairman, on my left is Mr. Pattarini, President of AOCI, Director of Aviation, The Port Authority of New York and New Jersey. On my right is Thomas Raffety, Director of Aviation, San Antonio International Airport. Second to my left is

Mr. Walter Abernathy, Executive Director, Port of Oakland. And on my far left is J. J. Corbett, AOCI Vice President.

With your indulgence, we would like to very briefly touch upon ADAP as part of our written statement. We have also covered in quite some depth airport access we would like to respond to the questions which were asked of us, and we would like to make this very short and then open it for any questions that you may have, Mr. Chairman.

Mr. **Anderson**. Your remarks will be made a matter of the record so you may extemporize.

[The following was received for the record:]

STATEMENT OF J. DONALD REILLY, EXECUTIVE VICE PRESIDENT
AIRPORT OPERATORS COUNCIL INTERNATIONAL

Mr. Chairman and Members of the Subcommittee:

The panel before you this morning represents the Airport Operators Council International (AOCI), the association of the governmental bodies which own and operate the principal airports served by the scheduled airlines in the United States and in many countries abroad, as well as reliever and other general aviation airports. Our United States member airports (listed in Attachment A) enplane more than 90 percent of the domestic and virtually all of the U.S. international scheduled airline passenger and cargo traffic.

We appreciate the opportunity to appear before the Subcommittee to present the views of our United States members on H.R. 6721, the Airport and Airway Improvement Act of 1980, and on the problem of "airport access" as described in the Committee announcement of these hearings.

H.R. 6721 IS AN EXCELLENT LEGISLATIVE PROPOSAL

Very simply, Mr. Chairman, H.R. 6721 meets virtually all of the objectives AOCI set out in our September 1979 testimony before the Subcommittee, and we endorse it wholeheartedly. We hope, however, that the Committee might give consideration during markup to some of our suggestions for amendments.

As introduced by you, by Chairman Johnson and Congressmen Harsha and Snyder, H.R. 6721:

1. authorizes a full five years of airport and airway capital development financing from the Aviation Trust Fund;
2. is a comprehensive approach, providing ADAP funding eligibility for all air carrier, commuter, reliever and important general aviation airports;
3. retains the fixed 90% Federal project share ratio so important to our small and non-hub members and for all general aviation airports;
4. provides assured and expanded funding for the smallest air carrier airports but without tying up ADAP funds not currently needed;

5. increases ADAP funding and Airways Facilities and Equipment monies for commuter and reliever airports;
6 establishes properly limited ADAP eligibility for privately-owned public use reliever airports in major metropolitan areas;
7. wisely does not authorize state agencies to redistribute ADAP funds for air carrier and general aviation airports; and
8. authorizes adequate funding for land use compatibility programs under the Aviation Safety and Noise Abatement Act of 1979.

H.R. 6721 DOES NOT, HOWEVER, ASSURE RESOURCES TO MITIGATE AIRPORT CONGESTION

The single notable weakness in the structure of H.R. 6721 which we want to bring to your attention is the absence of adequate assured funding to mitigate airport congestion at the nation's larger air carrier facilities -- perhaps the system's most critical problem in the coming decade. [The Committee bill presently provides virtually every feature that smaller air carrier airports have suggested to us.]

Let's look at the context. With a $3 billion existing surplus of funds already collected from aviation system users for safety and capacity programs, the Committee bill appears to accept both:

(1) the concept of returning some "excess" aviation tax sources to air travellers; and
(2) FAA's conclusion that, for lack of airport capacity, thousands of flights will have to be turned away from major hubs during the decade.

FAA and Air Transport Association congestion figures are frightening to us. They suggest that, while the airlines are currently enduring $1 billion of annual delay costs at a few major airports, serious congestion may spread to fully half the nation's largest airports in the 1980's -- those that enplane four out of every ten airline passengers.

Airport proprietors simply don't believe that additional expenditures from the Trust Fund surplus couldn't all but eradicate -- at many airports -- this growing congestion problem. In our view, such expenditures should be a higher priority than modestly reducing the Federal aviation excise taxes paid by airline passengers.

However, there is, as we will show, no assurance under the introduced bill that adequate ADAP funds will be directed toward this objective of increasing major airport capacity, although total ADAP funding in the Committee bill is substantially increased over current law.

a. Funding Levels

Chart I, attached, shows what we mean. The Committee bill has an important increase in the ADAP authorizations, starting in FY'81 at the $875 million level that exactly catches up for inflation over the past five years. Thus, $875 million will buy in FY'81 the same amount of airport capital development that was achieved under the last Congressional authorization in 1976.

If, however, inflation continues at the average 15% annual rate experienced in this program over the last five years rather than at the 7% rate factored into H.R. 6721, the ADAP program will be hurt in two ways. First, there will be the proportionate loss of ADAP purchasing power. Second, as the Committee bill removes from the current law the authority for the Appropriations Committees of the Congress to increase annual ADAP funding levels if the need is pressing and if excess revenues have been generated by the Trust Fund, the loss to inflation can't be made up. Under the present law the ADAP authorization is a funding floor which can be exceeded by the Appropriations Committees if circumstances warrant. But, under H.R. 6721, the annual ADAP authorization is an inflexible funding ceiling.

We urge that the language of section 5(a) of H.R. 6721 be modified to include the "not less than" language contained in the current law so the Appropriations Committees can have leeway to exercise there judgment on the annual ADAP level, as in the past.

b. Enplanement Formula

Also note in Chart I that the proportion of total ADAP funding which goes to the nation's air carrier (primary) airports on an assured basis (enplanement formula apportionments) has been declining since FY'76 and, unless changed, will decline further in the 1980's. Assured funding for the air carrier airports (whose users provide 90% of all Trust Fund revenue) has declined from 62% of total ADAP dollars in FY'76 to 44% today and will decline further to 38% in FY'85 under the enplanement formula of the Committee bill in its present form. We think both enplanement and discretionary funds should keep pace with inflation.

While it is true that the enplanement formula in H.R. 6721 has already been increased 10% above the existing law to:

$6.60 for the each of airport's first 50,000 annual airline passengers;
4.40 for the each of airport's next 50,000 annual airline passengers;
2.20 for the each of airport's next 400,000 annual airline passengers; and
.55 for all additional passengers —

— it is, however, also true that, to catch up with inflation, those formula amounts would instead have had to be increased by 87%. As you can observe on the next chart (Chart II), an additional 30% increase in the enplanement formula across the board would offset a little less than half the past inflation but would not increase total ADAP funding. So we urge an increase in the enplanement formula as a way of increasing assured ADAP funding levels for all air carrier airports.

The absence of increased enplanement funding does not preclude the Secretary's awarding discretionary funds to these larger airports to minimize unacceptable levels of airport congestion. However, since discretionary funds involve someone's discretion, they cannot be "financially planned" upon by airport sponsors on a multi-year basis. Airports believe that assured funding noticeably helps their fiscal and physical planning and saves the Federal Government considerable money in project costs.

There is one remaining problem area with the enplanement formula in the House bill. Since the enplanement funds which an airport receives are sometimes even less than 10% of the community's contribution to the Trust Fund, the existing law rightfully permits airport sponsors to decide which eligible projects they wish to finance with these apportionments. Under the Committee bill (section 8(b)(1)(A)), however, the DOT Secretary would be given a project veto on use of enplanement monies.

We hope the Committee will retain the existing practice of letting each airport community determine its own schedule for projects funded solely with enplanement funds.

c. Air Carrier and General Aviation Airport Funding

The next chart (Chart III) shows how the Committee's structuring of the ADAP program could, perhaps excessively, divert funds contributed by air carrier passengers to projects at non-reliever general aviation facilities. Under existing law, about 90% of past ADAP funding has been expended for air carrier, commuter, and reliever airports -- projects of importance to the airline passengers contributing 90% of the Trust Fund revenues. Unfortunately, the establishment in H.R. 6721 of a single "superdiscretionary fund" (instead of separate air carrier and general aviation airport discretionary accounts as at present) would, at least theoretically, allow a DOT Secretary to use a disproportionate amount of total ADAP funds (up to 39% - 48%) for non-reliever general aviation projects.

We think a better balance would be obtained by adding a provision to section 7(b)(4) of H.R. 6721 to assure that no less than 75% of the superdiscretionary fund will be awarded for primary airport and commuter airport development (in addition to the existing $45 million annual minimum for reliever airports). Without these guidelines, a DOT Secretary would, in our view, have too much discretion to transfer funds away from the projects of direct interest to those who have contributed the vast majority of all Federal user taxes. Non-reliever general aviation airports would still experience very large funding increases through the funds apportioned by section 6(a)(3) of H.R. 6721.

These three changes -- an increase in the enplanement formula, separate GA and air carrier accounts within the superdiscretionary fund, and continuing flexibility for the sponsor to schedule projects according to local priorities -- would better assure that adequate Trust Fund monies generated mainly in metropolitan areas would be available for needed safety projects and to minimize airport congestion and delay in those areas.

Federal Project Shares

The Committee legislation generally retains the existing ground rules for determining the Federal share of eligible project costs but disappointingly changes the Federal share for the largest 72 airports from a fixed 75% to a variable "not to exceed" 75%. This change would let FAA "bargain" with sponsors on safety project shares, and would make advance planning difficult for sponsors. A variable formula is not a good idea in general because it causes distortions in project selection. In this case, it discriminates unfairly against some airports.

Other Trust Fund Issues

The primary hub concept of apportioning funds (at 50¢ per passenger) is worth trying as as inventative mechanism for avoiding some of the jurisdictional impasses in those regions which have resulted too often in losses of scarce reliever airport capacity. We would recommend, however, that the program should be bounded to include any hub area large enough to have designated reliever facilities. This could be done at little extra costs and with a substantial increase in equity.

Finally, Mr. Chairman, AOCI would support a higher funding level for FAA Maintenance and Operations from the Aviation Trust Fund than is included in H.R. 6721. Airport sponsors are like the FAA in that they both are providers of aviation facilities. As such, our members understand full well the undeniable correlation between capital costs and maintenance expenses. AOCI believes that the Aviation Trust Fund with its surplus should cover an increased portion of FAA non-capital costs, probably in the range of $500 million in FY'81.

ALLOCATING AIRPORT CAPACITY

Before concluding, we would like to respond to the Committee's questions on the very complex subject of allocating airport and airway capacity when demand for scarce resources in the system exceeds available capacity.

First, let's define what the scarce commodities are that might need to be rationed since rights and powers vary with each system element. The major element, terminal area airspace capacity, is within the control of the FAA under existing section 307 of the Federal

Aviation Act. In our view, FAA has clear authority to establish the maximum safe number of airspace approach and departure slots (airspace ceiling) and its 1969 High Density Regulation was an appropriate exercise of that authority.

Beyond Federal authority, airport proprietors have an as yet unexercised legal authority to set limits less than the FAA airspace ceiling if the runway capacity, boarding gate or terminal building capacity of the airport facility or the noise pollution "capacity" of the adjacent communities require such limitations. For example, an airport proprietor can close a runway for repairs, tell the Customs Service that the capacity of a given terminal building is less than the passenger capacity of the jumbo jets that might arrive simultaneously, and inform aircraft operators that, under state law or proprietor's regulations, existing numbers of hourly operations are not to be increased because noise ceilings have been reached and are not to be exceeded.

Also, as suggested earlier, we don't think that Congress should phase out the $3 billion surplus in the Aviation Trust Fund without first offering to provide increased assistance for more airport capacity. Failure to do so will place an artificial constraint on demand during this period.

To reduce the surplus or existing Trust Fund revenue sources without first reducing current or near-term airport system congestion and delay would be an implicit admission of Federal inability to use existing resources to solve national problems.

If demand at major U.S. airports must be temporarily constrained -- in part because of the inadquacy or complete absence of Federal funds, the first result will likely be increasing pressures at the local level for recovery of fully allocated costs from all user groups. AOCI strongly supports the Committee's plans for increasing reliever airport capacity within metropolitan areas so aircraft which do not need to use major airline airports will have convenient, well equipped and lower cost airport facilities available elsewhere in the hub area.

Beyond using Trust Fund resources to expand airport capacity, additional legislative authority does not appear needed to assure that all users will have opportunity of access to major airports. The existing ADAP law requires that an assisted airport "be available for public use on fair and reasonable terms and without unjust discrimination" and that the sponsor "maintain a fee and rental structure for the facilities and services being provided the airport users that will make the airport as self- sustaining as possible." AOCI members believe that this language is adequate for access to an airport by any and all user groups.

When demand for access to an airport at fully allocated user charge levels still exceeds available capacity, then more capacity is clearly needed and some aircraft will have to be denied access -- by someone -- until new capacity becomes available. After FAA determines in a given case that the safe airspace ceiling of an airport is "X number" of operations per hour and that unconstrained demand will exceed the ceiling, it is unclear as to whether the Federal Government or the airport proprietor should apportion that total among the various user sub-groups, although both levels of government would appear concurrently to possess that legal authority. If the job is merely to apportion tomorrow's slots to user groups in mathematical proportion to yesterday's usage, the FAA can continue the task it started quite adequately in the 1969 regulations. To the extent that an airport proprietor -- being closer to the situation -- would want to allocate a different than historical proportion of slots to GA, commuters, airlines, etc. (or define operations by aircraft size, not usage), the FAA might best defer to the community's wishes.

The tougher question is how to distribute slots within each subgroup's apportionment when demand continues to exceed slots. In this regard, most AOCI members think that the Airline Scheduling Committees for Washington National, O'Hare, Kennedy and LaGuardia -- in terms of practical results, if not economic theory -- have worked well to award the slots currently apportioned to the airlines. We could not endorse any alternative at this time as being both less anti-competitive and workable. And, as you know, airline scheduling decisions are tremendously complex. Perhaps retaining the "workability" of the present scheduling committees while increasing the monitoring role of the Federal Government -- to reduce the chances of anticompetitive carrier behavior -- should be tried before turning to other approaches.

The CAB has proposed that slots be sold. In our view, this would require new legislative authority from Congress if the purpose were to devote the net revenue to more capacity at the congested airport. If undertaken by FAA, the result would be a new ADAP-type program — although the current ADAP program has a $3 billion unused surplus for this same purpose. (Under S. 1648 the airports which are congested couldn't take the funds from the Federal Government because they would be defederalized.) And, without statutory approval from the Congress, most airports also couldn't "sell" slots to airlines because existing long-term contracts with airlines prohibit any new airport charges or fees not agreed to in those contracts.

AOCI members don't believe that new airlines have been or will be denied access to a region's major airport or to all of several area jetports. Airport communities want more and better airline service and will do all in their authority to provide facilities to respond to anticipated demand. Where a current airline tenant has space not fully utilized, airport management encourages subleases or, where it has retained legal authority to do so, sets up gate or space utilization criteria which each tenant carrier has to meet or else give up the space. We believe the Congress should require the FAA to provide a detailed bill of particulars of airlines being currently denied airport access before considering the extreme and constitutionally questionable provisions proposed in the Administration's legislation.

Most of the examples cited by FAA as impediments to airline access to airports result from the State of California's noise regulation limits, not airport proprietor restraints on additional airline competition.

The aircraft noise problem continues to be deeply troubling since the Federal Government wants to regulate the amount of noise to be produced by aircraft operations, but without being financially responsible for the excessive noise impacts which result. Under current case law, though, it is the airport proprietor who has the legal liability and the financial responsiblity for any resulting noise damages.

AOCI believes that, unless Congress does want to change this result Congress should leave the existing law on liability as it finds it -- to the courts and evolving case law. To constrain by process or statute the airport proprietor's existing right to protect itself from financial responsibility for aircraft noise pollution (by resonable and non-discriminatory use limitations not unduly burdensome on interstate or foreign commerce) could, in our view, result in complete Federal preemption and a concomitant shifting of financial liability for noise damages to the Federal Government.

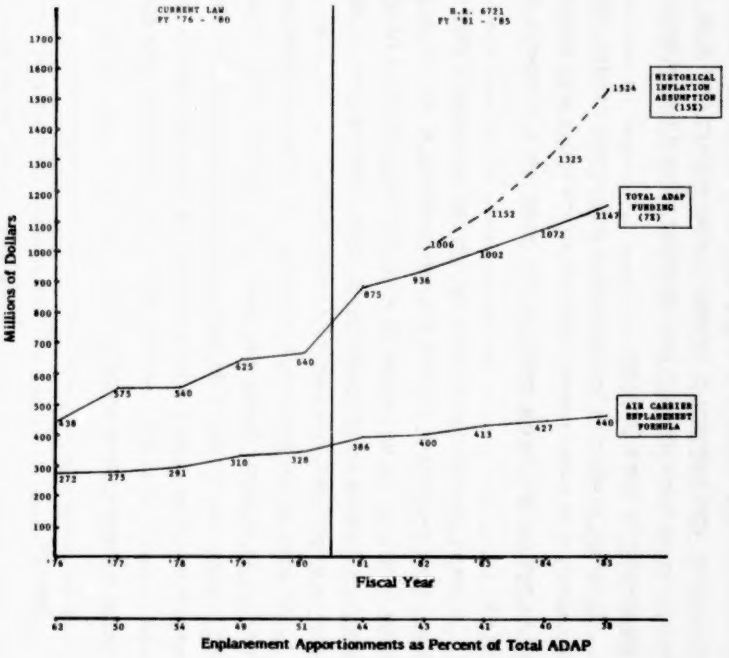
To conclude, we believe the "problem" of airport access is vastly overstated. Airports are responding to the changed economic climate that has resulted from airline deregulation and are modifying their charging systems and entry requirements to be responsive to the new era.

If, however, the Committee determines that some additional language is needed in the Airport/Airway law to address the access issue more specifically, we urge that, as in the Airline Deregulation Act, you recognize the airport proprietor's tough role in the middle: between the community and the aviation industry, between competing airlines, or between competing groups of users, and as a landlord of a public facility.

Any access provision must preserve the landlord's right to fashion a flexible solution which best fits his airport. This was made explicit in the Airline Deregulation Act's section 105 conclusion that "Nothing [in the federal preemption section of the Act] shall be construed to limit the authority of any State or political subdivision thereof . . . as the owner or operator of an airport served by any air carrier certificated by the Board to exercise its proprietary powers and rights."

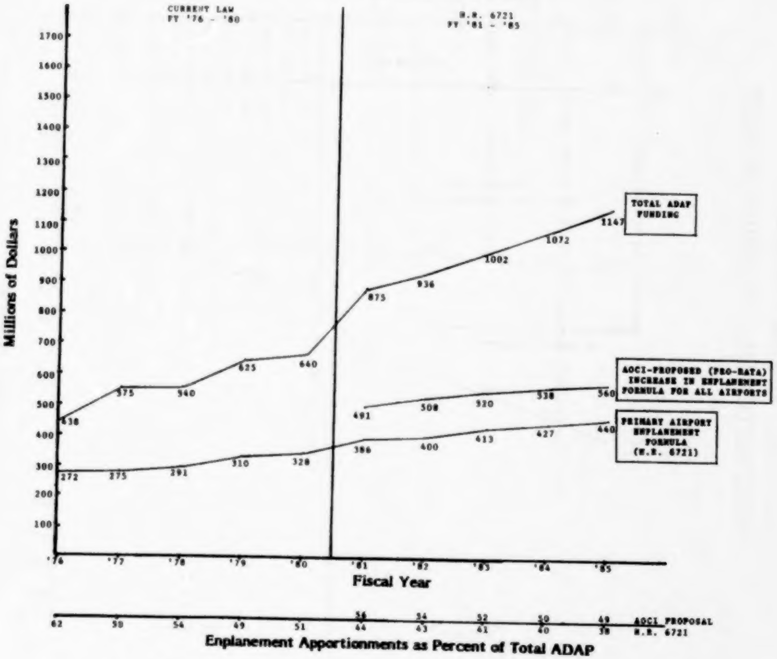
Thank you

ENPLANEMENT APPORTIONMENTS TO PRIMARY AIRPORTS AS SHARE OF TOTAL ADAP PROGRAM FUNDING



ENPLANEMENT APPORTIONMENTS TO PRIMARY AIRPORTS AS SHARE OF TOTAL ADAP PROGRAM FUNDING

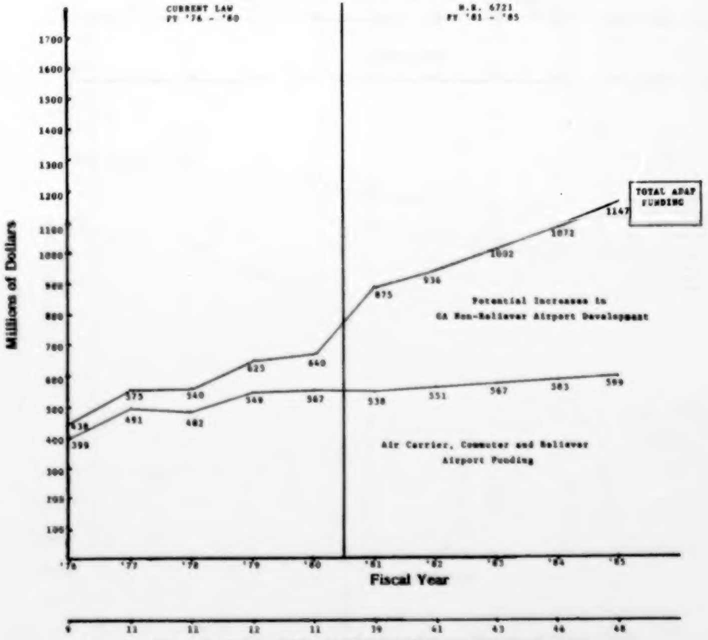
Current Law, H.R. 6721 & AOCI Proposal



March 1980

Airport Operators Council International

SHARES OF TOTAL ADAP PROGRAM FUNDING FOR CATEGORIES OF AIRPORT USE



Actual and Potential Share of Total ADAP Funds for Non-Reliever GA Airports

March 1980

Airport Operators Council International

September 1979

AIRPORT OPERATORS COUNCIL INTERNATIONAL

ROSTER OF MEMBERS

WITHIN THE UNITED STATES AND ITS TERRITORIES

ALABAMA

Birmingham - Department of Aviation

ALASKA

Alaska - Department of Transportation & Public Facilities

AMERICAN SAMOA

Pago Pago - Government of

ARIZONA

Phoenix - Aviation Department

CALIFORNIA

Bakersfield - Kern County Department of Airports
Burbank - Burbank/Glendale/Pasadena Airport Authority
Fresno - City of
Los Angeles - Department of Airports
Oakland - Board of Port Commissioners
Palm Springs - City of
Sacramento - County of
San Diego - Unified Port District
San Francisco - City and County of
San Jose - City of
Santa Ana - Orange County Airport

COLORADO

Colorado Springs - City of
Denver - City and County of
Pueblo - Memorial Airport

DISTRICT OF COLUMBIA

Washington - Metropolitan Washington Airports

FLORIDA

Fort Lauderdale - Board of Broward County Commissioners
Ft. Myer - Lee County Airport
Jacksonville - Port Authority
Melbourne - Airport Authority
Miami - Dade County Aviation Department
Orlando - Greater Orlando Aviation Authority
Palm Beach - Board of County Commissioners

FLORIDA (Cont.)

Pensacola - City of
Sarasota-Manatee - Airport Authority
Tampa - Hillsborough County Aviation Authority
Volusia County - Daytona Beach Regional Airport

GEORGIA

Albany-Dougherty County Airport
Atlanta - Aviation Department
Savannah - Airport Commission

GUAM

Guam - Government of

HAWAII

Honolulu - Department of Transportation

ILLINOIS

Chicago - Department of Aviation
East Alton - Civic Memorial Airport Authority
Edwardsville - St. Louis Metropolitan Area Airport Authority
Moline - Rock Island County Metropolitan Airport Authority
Peoria - Greater Peoria Airport Authority
Rockford - Greater Rockford Airport Authority
Springfield - Airport Authority

INDIANA

Fort Wayne - Board of Aviation Commissioners
Indianapolis - Airport Authority
South Bend - St. Joseph County Airport Authority

IOWA

Cedar Rapids - Municipal Airport Commission
Des Moines - Department of Aviation
Mason City - Municipal Airport Commission

KANSAS

Topeka - Metropolitan Airport Authority
Wichita - Airport Authority

KENTUCKY

Lexington - Blue Grass Airport
Louisville and Jefferson County Air Board
Paducah - Airport Corporation

LOUISIANA

Baton Rouge - Greater Baton Rouge Airport District
Lafayette - Airport Commission
New Orleans - Aviation Board

MAINE

Bangor - City of
Portland - City of

MARIANA ISLANDS

Saipan - Department of Transportation
Saipan - International Airport

MARYLAND

Maryland - State Aviation Administration

MASSACHUSETTS

Boston - Massachusetts Port Authority

MICHIGAN

Detroit - Board of Wayne County Road Commissioners
Flint - City of
Freeland - Tri-City Airport Commission
Grand Rapids - Kent County Aeronautics Board
Kalamazoo - Municipal Airport
Lansing - Capital Region Airport Authority
Muskegon - County Airport

MINNESOTA

Minneapolis-St. Paul - Metropolitan Airports Commission

MISSISSIPPI

Gulfport-Biloxi - Regional Airport Authority
Jackson - Municipal Airport Authority

MISSOURI

Columbia - City of
Jefferson City - Airport Commission
Joplin - City of
Kansas City - Aviation Department
St. Louis - Airport Authority
Springfield - Municipal Airport Board

MONTANA

Great Falls - International Airport Authority
Missoula - County Airport

NEBRASKA

Lincoln - Airport Authority
North Platte - Airport Authority
Omaha - Airport Authority

NEVADA

Las Vegas - Clark County Department of Aviation
Reno - Airport Authority of Washoe County

NEW HAMPSHIRE

Manchester - Airport Authority

NEW JERSEY

Trenton - Mercer County Airport

NEW MEXICO

Albuquerque - City of

NEW YORK

Binghamton - Broome County Department of Transportation
Buffalo - Niagara Frontier Transportation Authority
New York - Metropolitan Transportation Authority
New York - Port Authority of New York and New Jersey
Syracuse - Department of Aviation

NORTH CAROLINA

Charlotte - City of
Greensboro-High Point - Airport Authority
Raleigh - Raleigh-Durham Airport Authority

OHIO

Akron-Canton - Regional Airport
Cincinnati - Kenton County Airport Board
Cleveland - City of
Columbus - Metropolitan Airport and Aviation Commission
Dayton - Department of Aviation
Toledo-Lucas County - Port Authority
Youngstown - City of

OKLAHOMA

Oklahoma City - Airport Trust
Tulsa - Airport Authority

OREGON

Portland - Port of

PENNSYLVANIA

Lehigh-Northampton - Airport Authority
Pennsylvania - Department of Transportation
Philadelphia - Department of Commerce
Pittsburgh - Greater Pittsburgh International Airport

PUERTO RICO

San Juan - Puerto Rico Ports Authority

RHODE ISLAND

Warwick - Division of Airports

SOUTH CAROLINA

Charleston - County Aviation Authority
Columbia - Metropolitan Airport
Greenville-Spartanburg - Airport Commission

TENNESSEE

Chattanooga - Municipal Airport
Knoxville - Metropolitan Airport Authority
Memphis-Shelby County - Airport Authority
Nashville - Metropolitan Airport Authority

TEXAS

Austin - City of
Dallas - Department of Aviation
Dallas/Fort Worth - Regional Airport Board
El Paso - City of
Houston - City of
San Antonio - Department of Aviation

UTAH

Salt Lake City - Airport Authority

VERMONT

Burlington - Airport Commission

VIRGINIA

Newport News - Peninsula Airport Commission
Norfolk - Port and Industrial Authority
Richmond - Capital Region Airport Commission

VIRGIN ISLANDS

St. Thomas - Virgin Islands Port Authority

WASHINGTON

Seattle - Port of
Spokane - Airport Board

WISCONSIN

La Crosse - Municipal Airport
Milwaukee County - Department of Public Works

WYOMING

Casper - Natrona County International Airport

Mr. **Reilly**. Thank you, and Mr. Pattarini would like to have one moment for your fine support on this bill.

Mr. **Pattarini**. AOCI strongly endorses H.R. 6721. We congratulate you and other committee members who, as we know, have worked very hard developing this fine bill.

In brief, let me say that AOCI particularly supports the provisions of H.R. 6721 which we note in our testimony. The single notable weakness in the structure of H.R. 6721 is the absence of adequate assured funding to mitigate airport congestion at the Nation's larger air carrier facilities, perhaps the system's most critical problem in the coming decade.

Airport proprietors do not believe that additional expenditures from the trust fund surplus could all but eradicate as many airports of this growing congestion problem. In our view, such expenditures should be a higher priority than modestly reducing the excise tax paid by airline passengers. However, there is, as presented in the testimony, no assurance.

The introduced bill will adequately support the desired directive of increasing major airport capacity, both air and land side.

In the finality, boiling this down, Mr. Chairman, the three changes we are focusing on are as follows:

An increase in the enplanement formula, separating air carrier accounts within the super-discretionary fund and continuing flexibility for the sponsor to schedule projects according to local priorities. We believe this would better assure that adequate trust fund monies generated mainly in metropolitan areas would be available for needed safety projects and to minimize airport congestion and delay in those areas.

Thank you, sir.

Mr. **Anderson**. Thank you, Mr. Pattarini.

Mr **Reilly**. That, as I mentioned, Mr. Chairman, we also have affixed to our written testimony a fairly comprehensive presentation on airport access which we will submit for the record, and we are open to any questions that you might have at this time.

Mr. **Anderson**. Thank you very much.

Your testimony suggests that airlines have been able to obtain access to new airports under the Airline Deregulation Act.

Can you explain how the airports have been able to persuade airlines to sublease to new competitors?

Do you think that there will be any greater difficulty in airlines gaining entry to new airports in the next few years?

Mr. Raffety. If I may answer that, sir.

Thomas A. Raffety of San Antonio.

There is usually an arrangement between the airlines or among airlines where they will accommodate each other because they are all fully aware of the probable consequences in the event that they take any specific action to prevent another airline from coming in.

In the case of San Antonio, we have Delta Airlines, Allegheny Airlines—excuse me, U.S. Air, and two additional new commuters, all of which have subleased minor amounts, perhaps, counter space, and which have made arrangements for off peak period use of the aircraft loading gates. There has not been the problem—we have not seen any overt effort or detected any covert effort of airlines to prevent the access of a new airline into our airport at San Antonio.

Mr. Anderson. What are your views on the provision in the administration's bill which gives airlines and other persons wishing to gain access to airports the right to sue the airport if they are denied access in violation of assurances in ADAP agreements?

Mr. Corbett. Mr. Chairman, I think that the existing law is sufficient in that all airports that receive ADAP funds are required to keep their airports open on a nondiscriminate basis for all classes of users that apply, and I think that if an airport is not making that access available, the FAA, under the grant agreement, could have, as they have in a number of places, agreed to have that airport made open. So we think the existing law enables FAA to act under the grant agreement and so far as we know it has been quite successful.

Mr. Anderson. What is your position on the provision in the Senate bill which seeks to make airports subject to the antitrust laws?

Mr. Corbett. Again, Mr. Chairman, AOIC's legal committee, which looked at that provision, thought that it was not necessary, that it did not add to the antitrust law.

Under existing case law, airports are subject to antitrust law and only have limited immunity, and the provision in the administration bill was thought to be unnecessary.

Mr. Anderson. On the issue of operational restrictions to reduce noise, I gather that your position is that the airport operator should continue to have the right to impose restrictions which are nondiscriminatory and do not unduly burden interstate commerce.

As I understand it, you would leave it up to the Federal Government and ultimately the courts to decide whether a particular restriction is permissible.

First, do I understand your position correctly?

Mr. Corbett. That is correct.

Mr. Anderson. Second, do you think it would be helpful for the Federal Government to issue a policy statement setting forth in detail what types of restrictions the Government finds acceptable and what types of restrictions the Government believes would be discriminatory or an undue burden on interstate commerce?

Mr. Reilly. Mr. Chairman, I think that you have got to start from the basic premise that in the noise arena the individual airport proprietors are being held legally liable financially. I think that Congress is going to have to recognize and leave with each airport proprietor his right to defend that position to whatever extent is necessary.

The Federal Government has established certain prescribed noise levels. There are going to be continuous situations of airports faced with their own local circumstances of having to go further to satisfy either State laws or community requirements or local city situations.

I do not see how, unless the Federal Government is going to also preempt the Federal—the financial liability in noise, that it can take away airports' prerogatives to defend themselves in noise situations.

Mr. **Anderson**. Is it the AOCI's position that no further legislation is needed to deal with the problems of airport access and operating restrictions to relieve congestion or to reduce noise?

Mr. **Raffety**. We believe that the matter of the safe airspace ceiling of an airport is within the prerogative of the FAA.

I know of no airport which is attempting to take over the duties of air traffic control. So the safe airspace ceiling, as *x* number of operations per hour, is within the Federal prerogative, within the Federal duty. However, if the job is to do nothing but merely apportion today's number of operations according to yesterday's history, the 1969 regulations under which the FAA operates are quite adequate. However, the tough question is how to distribute slots, access slots, within each subgroup's apportionment.

It is quite all right to say there should be *x* number or percent for GA and computers and so forth. But there is a point where you cannot get 4 pounds in a 2-pound bag. We feel that the scheduling committees, the airline scheduling committees, which are working on the only currently impacted airports, which are Washington, O'Hare, Kennedy and LaGuardia, even if not in terms of economic theory, are effective in terms of their practical results. I do not see how we could endorse any alternative which would be both less anticompetitive and also workable than that which is now being done.

Mr. **Anderson**. In my area, there is this case currently before the FAA that I would like to have your views on, and that is the case at Orange County.

This is where an airport was built some years ago in a relatively congested area, not as congested as it is now, and they built it with a prescribed ceiling of 300,000 enplanements. They now have 1,300,000. They have three airlines in there, two certificated airlines, and one commuter, and a couple of other airlines are trying to get in. They say "we built this for 300,000; we have already exceeded this capacity, and are now handling 1,300,000; We do not want any more in."

Yet, in a sense, you are saying you are willing to have a formula that does not discriminate. Now, how do you not allow new airlines to come in without kicking someone out and how does this become discriminatory one way or another?

I would like to have you give me your ideas on discrimination.

Mr. **Pattarini**. In New Jersey we operate a three airport complex. We have a fourth airport which is Teterboro, which is a reliever airport. Prior to deregulation, we started with all the new carriers, supplementals, et cetera. During the 1973 period, 1974, when things were rough in industry, we advised each supplemental and new carrier to find another mate, in other words, at Kennedy, various unit terminals, talk to them, see if they will take you in as a sublessee. That has happened and it has grown.

At LaGuardia, the same is true, and at Newark, as you know, there is still one building ready to go, willing and able.

Mr. ANDERSON. Did you discontinue service with some of those already there?

Mr. PATTARINI. We did not. We did not. Everybody was taken care of and, to my knowledge, no one had been turned away.

Mr. ANDERSON. It is easier for me to talk in terms of Orange County. You are too big there.

Mr. PATTARINI. No. Let me make it smaller.

Mr. ANDERSON. Go ahead.

Mr. PATTARINI. When you have a crisis problem, let us take LaGuardia, especially where you do have a lot of—we had a lot of GA operations combined with commercial operations. We went into a penalty, way back in 1968, and I have just renewed that, where, during certain hours of the day, General Aviation pays a penalty fee both for using the airspace—I should say the ground space, the runways and taxiways, as well as an additional penalty over and above the minimum flight fee on the gross weight of the aircraft to catch up with inflation.

This has helped. Now, we are back to where we were in 1968. All we can do under the thriving growth that we are experiencing is to work within the limitations of not being discriminatory, be persuasive, and the airlines as a group are very cooperative. And we have not got the problem.

Mr. ANDERSON. That does not answer my question. Maybe you have in a way.

In the case of the Orange County Airport, they have, I think it is, 40 flights a day going in and out. Air Cal has 24 of those slots, Hughes has 14.

Now, Western and Frontier want to come in, and the community has said we built the airport for 300,000 enplanements, we now have 1,300,000 enplanements, and we are not going to allow any more increase in planes taking off or landing.

So if we are going to allow Western or Frontier to come in, you have to take away the slots of Air Cal and Hughes.

Now, whichever way you go, you are going to discriminate against someone.

That is why I wondered what you considered discriminatory? Is keeping Western and Air Cal out, is that discriminatory—or is allowing them in and giving them a certain proportional number and taking them away from Air Cal and Hughes, discriminatory?

I was wondering what your thoughts were on the word discriminatory.

Mr. REILLY. I do not think that anyone in the industry, particularly the airports, have come up with a definition of what is discriminatory at this time.

We have, as has been mentioned, trying to get greater cooperation among the airlines to solve their own problems, to use their own effectiveness to step in where an airplane is not cooperating and where there is known some excess gate or slot availability to share that.

Beyond the situation, we have been advocating that great support for your ADAP bill, because it will give the money to hopefully expand facilities, if not the Orange Counties of the United States, then at least another reliever or GA facilities in the area so that we can help accommodate this.

You are going beyond this, and what you are saying is, yes, after you have done all that, you still have a problem; i.e., Orange County, what do you do? I do not think anyone has the answer to that. We have not defined discriminatory that far.

I know that Congressman Levitas is advocating that the Secretary put FAA and CAB into one room and let them settle it before they come out. I suspect this might be a useful exercise because, as of right now, I do not think that FAA and CAB appreciate and understand all the subtleties of Orange County in one extreme and a Chicago or New York in the other extreme. I know I have not answered your question but I have tried to say maybe what we should be doing, and that is getting our best brains together, to try to address that.

Mr. **Pattarini**. I would like to add one thing to that. I view it very simply, and it is this. Where you have tenants under long-term leases, and they have been with you for a number of years, and have time to run and run and run, in the event that their gates are fully utilized, I cannot in my own mind define it as discrimination if the pot is full, because these fellows have been paying the toll all the way along.

Now, if any of those operators do have excess capacity, there is no question during that lax period, others should be able to come in. But I am talking in terms of the guy who signed the line for a long term lease.

Mr. **Abernathy**. I would like to say, from the standpoint of Oakland, it is hard for me to comment on your question, because we are on the other end of the stick, we are trying to get as much traffic as we possibly can, if the lines from Orange County would use our airports, we would be happy to accept them, and maybe resolve some of Orange County's problems.

Where we find an issue, is in a situation like San Francisco, that has about 94 percent of domestic interstate traffic concentrated at their facilities now, is that if they attempt presently to impose some restrictions, they are challenged as perhaps being discriminatory, while in our bay area we have an airport, reliever airport, that is used to capacity.

It would be our point that the legislation could use some fine tuning that would permit, in this area, where you have area capacity, that the capacity of a nearby reliever airport could be taken into account when judging whether or not the primary airport's actions are in fact discriminatory.

Mr. **Anderson**. I note your testimony does not include any detailed discussion of your views on defederalization of large and medium hub airports, as proposed in the Senate bill.

Does your organization have a position on this issue and, if so, it would be helpful to us to have your comments on the defederalization issue?

Mr. Pattarini. Mr. Chairman, defederalization of airports to me is another punishment to the larger cities, in my view.

No. 1, speaking of what I know in the New York area, notwithstanding the fact that we generate something in excess of $100 million in enplanements, trust money, our return on that is in the order of some $15 million a year.

Now, this money, one, does not belong to the Government, two, it does not belong to the airlines, and it does not belong to the airport operator. It is the passenger who is paying that tax. OK. From which we get so-called ADAP.

Now, as large as you might think an organization such as mine is, the very fact that we receive Federal aid to PAF areas, which runs in the order, over the years, of some 17 percent, this goes to the benefit of the airline. All our revenues are derived from consolidated bonds.

I cannot use operating money to defer that. So as I receive Federal aid, I reduce the indebtedness. I think if Federal aid was taken away from the 72 medium and large hubs, we would be in a position of catastrophe in a number of years. We could not progress in our major projects to keep these airports in line with the growing needs of the transportation industry.

To negotiate with an airline on a one-to-one basis is one thing. I have more than 100 different airlines operating from the complex. It is very difficult. When that money comes out of an airline's pockets, for a specific item, which may not affect 95 other airlines, you have a dilemma, yet we have to look at that problem from the overall safety and capacity of airports, from both the airside and landside.

To me it is just not a tolerable thing. We need every nickel that we can get, to continue.

Mr. Raffety. May I add to that, sir?

With your permission, sir, a tolerance. May I suggest that destroy this euphemism of defederalization?

Defederalization, according to its backers, means that all of the onerous regulations of the FAA will be lifted from the airports, with, of course, the exception of 17 of them.

It is my understanding that the House Aviation Subcommittee, on April 3, will conduct hearings on a new civil rights regulation which the FAA has already put into effect. It is an amendment to part 152 of the Federal Register. The regulation is so complex that the FAA proposes to issue a special explanatory booklet, and I am told they are contemplating seminars to assist airport sponsors in carrying out the provisions of it.

There is no necessity for them to have recourse to the Congress, because all they are doing is expanding the regulation. I think defunding is a much more honest term. The defunding of the 72 largest airports in the United States.

Now, in our particular case, over the next 5 years, in San Antonio, we will be spending approximately $75 million on medium hub airports. We are about as average as you can get. $75 million primarily for terminal access ways for vehicles, largely landside, but a fair amount also on the airside.

Over those same 5 years, we could expect, on our so-called enplanement entitlement approximately $10 million. We generate $10 million a year. We are not as fantastic as New York and New Jersey. But through the passenger tax, San Antonio generates some $10 million per year, and sends back some $1,300,000.

So we can expect, over those next 10 years, $10 million. Obviously, if defunding is carried out, there would be a $10 million increase in the net cost to the airport at San Antonio, and it would have a consequent adverse effect on our bonding capability if the rating companies, and of course, the bond buyers were aware of the fact that this would no longer be available to us, to assist in the development of our airports.

Mr. ABERNATHY. Let me go back on that from the viewpoint of the smaller airport operator.

Mr. Pattarini cites the larger airports, but ours is on the bottom of the list of 72. We do not have long-term agreements with the airlines, so we have the right to sit down and negotiate for replacement revenue. But we are encouraged to lower landing fees, and landing charges, to reduce service, and quite frankly, with that economic motivation we do not have the muscle to replace that.

Mr. ANDERSON. They have much more muscle than you do?

Mr. ABERNATHY. Quite a bit more. So the mechanisms that are in your bill are very important to the smaller airports.

Mr. ANDERSON. One argument in support of defederalization has been that under the existing ADAP program, the large airports pay more in passenger taxes than they get back in ADAP grants. Because of this cross subsidization it is argued that the large airports would be better off under defederalization, in which taxes would be lower, and the airports would still get some F. & E. money back.

Now, I welcome comments of the panel on this argument.

Mr. CORBETT. The math on that, Mr. Chairman, is interesting; if the airport that was defunded, if the passengers using that facility were subject to a lower Federal tax, because that community was not eligible to get ADAP funds back, then the circle of defederalization and defunding might be complete.

But the residents who applied through Los Angeles to New York is going to pay the same degree of tax, and not be eligible for return of any of the money to the facility it uses, whereas that would not be true of all the airports but the 72.

So the Federal Government would, under defederalization, charge taxpayers the same amount, whether or not their communities were eligible for funds.

Mr. ANDERSON. But isn't it a reduced tax what they are talking about—8 to 2 percent?

Mr. CORBETT. Well, eight to two is a theoretical possibility. But one has to ask the taxpayer this, would you like to pay 8 percent and have the eligibility of some funds going to the airports that you use, or would you rather pay 6 percent and get nothing back. That is really what defunding means to some of the major communities.

There would be no eligibility for funds, even though 74 percent of the money that would come to the trust fund, would still come from the communities which would be ineligible to get any of it back.

Mr. **Anderson**. As you are aware from our bill, we do not defederalize, we are not in favor of defederalizing, but just for information, I have been told by people in Los Angeles that they probably could come out ahead if they were allowed to exert whatever muscle they have, and get more back.

I have been told in your case that JFK could also probably come out ahead.

Mr. **Pattarini**. I do not know who gave you that information. Whoever gave it to you is fired.

Mr. **Anderson**. I am told, for example, that at O'Hare they could not, because they are tied up with contracts until 1993 and could not do much negotiating until then.

Mr. **Pattarini**. Let me try and help in this sense. It all goes into a landing fee, so when people start talking about landing fees they are talking in the nonspecific. OK.

When you get into an airport overall lease, like I have got three different leases, for three different airports, you would imagine they are all the same. They are not. Each one varies. You have some airports that the fund debt is guranteed by the airlines. That is case one.

In my case, my funded debt is my own. I have got to get user charge fees to pay that debt. In Los Angeles' case, they contribute possibly in the order, something like $100 million plus, and get back maybe $15, or whatever that number is, and because of the uniqueness of their lease, and I am just guessing at this, they might be able to, without going through all the effort they appear to go through, in working with the Federal agencies, equalize, or get back their equivalent amounts.

Now, some of us in the industry, and I am not criticizing Los Angeles, we work very well with the Federal agencies. FAA gives us nothing but cooperation.

So what I am really saying, each case is different. Certainly different, in my case, I have got the long-term leases, within the lease it is specified that Federal aid will be applied to whatever the Government range of items is, and we follow that.

Mr. **Anderson**. So in the debate that will come up on defederalization, if someone says that New York, or particularly JFK, would come out ahead if we were to defederalize, I could tell them, from you, they are wrong?

Mr. **Pattarini**. I would say from Pattarini, representing the port authority, that is subject to question. I would have to open up every lease that I have, which I think would be immoral to do that. Once you make a lease it is an agreed upon contract.

Mr. **Anderson**. How long do your leases run?

Mr. **Pattarini**. Average of about 25 years. I have just finished one that goes for another 25.

Mr. **Reilly**. Mr. Chairman, we would be very happy to supply to you, sir, a digest for all the large hubs, medium large hubs in the United States of these contract provisions that impinge upon and prevent airports from going forward to get additional charges as was discussed.

Mr. **Anderson**. We would appreciate that.

I have heard from the people in Dallas. They are in the top seven.

I would like to know, even from the top seven, if they would not be able to do it either?

I was not aware that you had contracts that were still out as far as maybe 20 or 25 years.

Mr. Pattarini. Kennedy just started a new 25-year run.

Mr. Raffety. Sir, for the middle ground, we also have contracts, not to that length, which prohibit us, well, only the Federal Government can unilaterally amend a contract in my experience, which is what we are being asked to do.

Insofar as our contributing through our passengers 2 million and getting back $10 million, I am not overly excited about that. Because I look at airports per se as a system, and it is the concept of the system which has allowed the development of the airline industry, the airport support and the aircraft manufacturers. So the supporting of a smaller airport by a larger airport does not give me too much heartburn unless it gets to a point where it is manifestly unfair.

Mr. Anderson. One more aspect on this defederalization that I would like to clear up.

Another argument for defederalization is that ADAP is not important to large airports because it supplies only a small percentage of capital costs at these airports.

Again I would like to have your comments.

Mr. Reilly. Mr. Chairman, as part of this survey response from our large and medium hub members, 72 in the United States that are contemplated for defederalization, we asked them during the period 1974 to 1978 what was the total amount of your capital development for that period, and we asked the percent of Federal ADAP dollars which were a part of that presentation.

I think if you have it there in front of you, it will speak for itself. But we will be happy to present this for the record.

As you will see, if you start running down from the top right on down, Chicago $50 million, 75 percent; Atlanta $224 million, 21 percent. All these figures, if you will note, even among the large hubs, the ones that can take care of themselves, we are talking of an average of perhaps some 20 percent.

As you get down deeper into the medium hubs, the percentage amounts go up dramatically, and many of them are up to 62 percent. If you go to pages 3 and 4, there is one that even shows 75 percent. I think it is a dramatic revelation of the fact that ADAP is important, is significant, is the seed money to get projects going, and particularly in many cases without that money the projects would not have been completed.

Mr. Anderson. One last question.

As your testimony indicates that you oppose State control of funding for general aviation airports, could you elaborate on the reasons for your opposition?

Mr. Raffety. We have in San Antonio two airports, an air carrier airport with a fair amount of general aviation, and a reliever airport which is entirely general aviation.

We in the International Airport propose to accommodate the larger general aviation aircraft by extending a runway to 5,500 feet and improving it. We are attempting to improve our general aviation reliever airport so that it will attract more and more of the smaller aircraft.

Now, if general aviation funds go to the State, do I then make application to the FAA for those items in a grant which affects the air carrier? Do I make application to the State for those items on the same airport or the other airport in the same system to the State?

The basic problem that I have with it is that it interposes another level of Government, it confuses the issue.

If I have a taxiway that is used by both general aviation and air carrier, how do I split it out? Which dominates? How do I justify State funds for something that is going to relieve an air carrier airport?

I believe there are too many problems raised for it to be a practical solution.

Mr. **Pattarini**. May I answer that, sir?

Mr. **Anderson**. Sure.

Mr. **Pattarini**. In my view, presently with the FAA, everything works as best as it can with the larger organizations. We have no real complaints.

I think we streamlined the paperwork over the past 5 to 6 years. However, getting into the allocation of the funds to States to be distributed to the user, the airport operators, we are, in essence, creating an additional 50 FAA's which is what Tom said, we are going to get into more redtape and more delays.

Under FAA, I let a contract. If I start that work prior to getting my grant, everything that is in the ground is lost. So when you add another body in there, my contracts will drag and drag and drag.

Mr. **Abernathy**. From our standpoint in the bay area, we have done a considerable amount of airport system planning. We do operate as individual proprietors but we are operating in accordance to a plan that we nodded our head to.

Some of the proprietors were operating and receiving their funds under State rules, and others under direct Federal. I think it would be a very uncomfortable and difficult situation and, of course, it would add a middleman and a different set of rules that I think would be unfortunate for the aviation system in the bay area.

Mr. **Reilly**. In conclusion, Mr. Chairman, we probably developed the best airport system in the world working one on one in individual airports with FAA, and I do not think any good reason has been set forward yet that has convinced anyone to create the need for 50 FAA's.

Mr. **Anderson**. Mr. Fary?

Mr. **Fary**. No questions.

Mr. **Anderson**. Counsel?

Mr. **Filler**. Mr. Reilly, tomorrow the Louisville people are going to come and testify. In reading their testimony, I notice in their new contracts they have a provision which guarantees that the operator has the authority to take space away from the incumbent carriers if it becomes necessary to guarantee free access.

Are any of the other airport operators using similar provisions?

Mr. **Reilly**. Many airports are heading in that direction. We, of course—from the CAB's action in proposing FAA to legislate for greater implementation of this access problem for the first time now, with the potential demise of the airport committees, yes, all airports are seeing now what can be done. We certainly are working in this direction. Many airports are headed in this direction. Minneapolis-St. Paul is one airport that is taking great leadership in this area.

I do not think that resolving these problems is going to be as difficult even in the near term as has been proposed by CAB. I think to get the airports and airlines together and the other users, that these problems can be resolved, particularly if we can bring the FAA and CAB in and educate them to our problems as well.

Mr. **Abernathy**. We have adopted a middle ground. Although we do not have the problem, that we enter into preferential gate assignments with an airline, and that airline then has to pay the freight that goes with that obligation and that real estate privilege. But then we reserve to the authority of the airport to make secondary assignments providing that they do not interfere with the rights. So, no one has an exclusive gate under that concept.

Mr. **Raffety**. We have with the airlines explored about every possible combination that we could think of, and we have come up something very similar on a preferential gate concept.

Now, granted, one, you could not expect an airline to simply go from gate to gate to gate without any idea of where it is going to be because the ground equipment has to move with it every time it comes into a given point.

So, for those airlines which have leases and agreements and standard regular service, we will assign preferential gates. Those gates may be used by other airlines, regular carriers, whoever it may be, during the periods when they are not being used by the holder of the preferential agreements.

Mr. **Pattarini**. Since 1957, the wing carriers in Kennedy, there has never been an assigned gate.

Mr. **Corbett**. Mr. Filler, in our prepared testimony, we indicate legal concerns with the proposal in the administration bill to allow the Secretary of Transportation to reform contracts entered into between airports and airlines.

I think the Secretary of Transportation should really give a lot of thought, as should the committee, to the wisdom of that provision.

The Secretary of Transportation to be faced with unhappy airlines who think they deserve 5 more feet of space in location A rather than C, is a quandary which I think the Secretary of Transportation will long rue the day that he asked for that authority.

I suggest, the testimony suggests to the committee that you ask the FAA for determining whether any legislative authority is needed on access. Exactly what are these problem areas that airport operators have not resolved by using whatever clout they have? Only if you determine that there are excellent needs not being carried out. If you do need authority, I would suggest that the authority that the Secretary recommends is unwise.

Mr. **Filler**. I guess this question would be directed to either Mr. Corbett or Mr. Reilly. It concerns your proposal to add an additional 30 percent to the entitlement portion that is in H.R. 6721.

According to my calculations, it is roughly an extra $115 million over what we have in the bill right now for entitlements. If you go under the assumption that you could not get any more funding beyond what is in the bill, from which other category would you advocate taking this extra $115 million?

Mr. Corbett. The point that Mr. Reilly made in his testimony is that we think that while the committee bill does a good job of increasing funding, it only gives one-sixth of that increase on the enplanement formula, which is what is counted on in a regular basis.

To answer your question specifically, assuming that you have the capital funds, that is a question for the committee to deal with, then the discretionary fund is defined as what is not apportioned. So the discretionary fund would be less if the committee decided not to increase the ceiling by the amount of the additional 30 percent enplanement formula.

Mr. Filler. Just one last question. I guess it gives you an opportunity to dispel one more myth about defederalization. I do not think I am the only one that heard that the idea was conceived by airport operators. I do not know whether it is your organization or large or small hubs, whatever. I do not have any evidence one way or the other.

I was just curious as to whether you have any comments.

Mr. Reilly. I suspect that what probably occurred in some small dark room was the disgruntled airport operator who is not even able to get his enplanement money on time, threw a few profanities around and said I am going to get out of this ADAP program.

I think we must all admit and recognize that over the past 10 years that we have developed a very, very mind concept that Congressman Anderson is now advocating to be continued and we wholeheartedly endorse the continuation of this bill.

Mr. Filler. Thank you, Mr. Chairman.

Mr. Anderson. Thank you very much, the whole panel, for your presentations.

Our next witness is Jack Howell, chairman, executive central air safety committee, Air Line Pilots Association; accompanied by John O'Brien, manager, engineering and operations, ALPA.

We do have your prepared statements before us. It will be made a matter of the record at this point.

[Statement referred to follows:]

Statement of Jack D. Howell, Executive Central Air Safety Chairman, Air Line Pilots Association

Good morning, Mr. Chairman and members of the Subcommittee. I am Jack Howell, Executive Central Air Safety Chairman of the Air Line Pilots Association. ALPA represents the professional interests of more than 33,000 pilots employed by 31 airlines.

With me today is John O'Brien, Manager of Engineering and Operations in our Engineering and Air Safety Department.

We are greatful for this second opportunity to testify on legislation to renew the Airport and Airway Development Program. As you know, there have been several significant developments since Captain O'Donnell testified before you last September. The other body passed its version of the airport and airway legislation in February. Earlier this month, you, Mr. Chairman, Mr. Snyder, Chairman Johnson and Mr. Harsha introduced your version, which has been co-sponsored by a number of other members of the Subcommittee.

ALPA is very pleased that your bill, H.R. 6721, includes important provisions that will help greatly to meet the long-standing safety needs of our national aviation system. This Subcommittee has again taken the initiative in enhancing aviation safety by placing proper emphasis on the facilities and equipment provisions of your bill.

It is facilities and equipment that relate most directly to aviation safety. They provide the necessary guidance to enable pilots to approach the airport and land safely under all but the most extreme weather conditions. The fact that most airline accidents occur during approach and landing underscores the importance of proper facilities and equipment to aviation safety.

In ALPA's testimony to the Subcommittee last September, we said, "Regardless of airport size or the number of passengers, all air carrier airports need certain facilities and equipment to attain the desired level of safety."

Your bill recognizes this long-standing national need. H.R. 6721's declaration of policy states that "this Act should be administered in a manner to maximize the use of safety facilities, with highest priority for commercial service airports * * *." The policy language goes on to state unequivocally that this goal includes "installing, operating, and maintaining a precision approach system and a full approach light system for each primary runway, grooving or friction treatment of all primary and secondary runways, a nonprecision instrument approach for all secondary runways, runway end identifier lights on all runways that do not have an approach light system, electronic or visual vertical guidance on all runways, runway edge lighting and marking, and radar approach coverage for all airport terminal areas."

This language in your bill, Mr. Chairman, is nothing less than a milestone in aviation safety legislation. It marks the first time that Congress has established a national standard for aviation facilities and equipment. By including this important provision in the declaration of policy in your bill, you serve notice that you intend the facilities and equipment at all commercial service airports to be improved until they meet the minimum standards you have set.

There is much to be done. As a minimum, ALPA believes that every commercial service airport should have an Instrument Landing System (ILS), an approach light system, a control tower and partial radar service. In addition, every runway should have a Visual Approach Slope Indicator (VASI) and all runways without approach lights should have Runway End Identifier Lights (REIL).

Let us look at the situation regarding control towers. Most airline passengers would, I believe, consider a control tower to be a facility essential to aviation safety. Yet the general public is unaware today that there are 260 airports with scheduled air service—132 air carrier and 128 commuter—that lack control towers.

These airports without towers include Muscle Shoals, Ala., Beckley and Bluefield in West Virginia, and Mankato, Minn. Other examples of vitally needed facilities at our nation's smaller airports with air carrier service include an ILS and radar at Fayetteville, Ark., and VASIs and REILs at Joplin, Mo., and Huntsville, Ala.

There are hundreds of air carrier and commuter airports throughout the nation that lack a full complement of safety facilities and equipment. We believe these smaller airports have been neglected for too long. Now we see a solution at hand, thanks to the Subcommittee and H.R. 6721, the bill you are now considering.

Before I turn to the specifics of what we believe needs to be done in providing additional facilities and equipment, I would like to explain briefly how ALPA has determined what these needs are. Under the guidance of the pilots on our Airport Standards Committee, our Engineering and Air Safety Department continually monitors the nation's commercial service airports as part of our extensive air safety activities. As part of our search for safety hazards, we ascertain what facilities and equipment are at each airport our members fly into. We use pilot reports and surveys, published descriptions of each airport and FAA plans to determine what exists at each airport, what is planned for installation and what is still needed.

By our count, there are now 401 air carrier airports. In addition, there are 188 airports where commuter airlines enplane more than 2,500 passengers annually. That gives a total of 589 commercial service airports.

I have already mentioned that 260 of these airports need control towers. Using the ALPA minimum criteria for facilities and equipment, we also see the need for 191 ILSs or microwave landing systems (MLS), 160 approach light systems, 773 REIL's and 1,012 VASI's. In addition, there are 170 air carrier airports that do not have radar coverage. We estimate that half that number of radar systems would actually be needed because one radar installation could often serve two airports. We have not calculated the need for radar coverage at commuter airports.

We estimate it would cost about $800 million in current dollars over the next five years to provide these facilities and equipment. Adding that figure to the $2.1 billion the FAA plans to spend on facilities and equipment in the same period gives a total of $2.9 billion, or an annual average of $580 million.

Four brief comments. First, we fully support the FAA's plan to spend $2.1 billion for facilities and equipment. That plan will do much to fulfill real and long-standing safety needs. The only difficulty with the FAA plan is that it does not go far enough, in our view.

Second, our estimate of $800 million for new facilities and equipment does not, as I implied earlier, contain any allowance for inflation between now and the end of Fiscal 1985.

Third, the facilities and equipment needed now do not involve high technology or an extensive research and development program. With the exception of MLS, all the items are commercially available off-the-shelf right now. There is no technical reason for delay.

Fourth, our estimate does not include any funds for grooving or friction treatment of runways. As you know, money for that comes out of the Airport Development Aid Program (ADAP) and not out of facilities and equipment (F and E) funding. For many years, ALPA has urged grooving or friction treatment for all air carrier runways, and we were pleased to see a provision added to the Senate bill. That provision requires "such grooving or other friction treatment for primary and secondary runways as the Secretary determines to be necessary" if the airport is to continue holding its FAA certificate. We commend this language to you for possible inclusion in your bill.

Our estimated total of needed funding is very close to the total of just over $3 billion contained in H.R. 6721. As you know, the total funding for facilities and equipment in your bill is about $250 million higher than the total in the Senate bill and almost $1 billion higher than what the FAA has proposed.

Your bill meets the needs of aviation safety, and we commend you for your leadership. Thanks to you, we now have the prospect of meeting most of our needs for facilities and equipment within a few years.

The total for facilities and equipment in your bill is slightly less than what would probably be required to meet the needs we have identified when an allowance for inflation is included. Nevertheless, the subcommittee bill is an major improvement over what we have had in the past and over other current proposals. We urge you to report H.R. 6721 with the authorizations for facilities and equipment that it now contains and to be steadfast in resisting attempts to reduce those authorizations.

We also respectfully suggest that you consider including in your bill a specific directive to the Secretary of Transportation requiring a minimum annual expenditure for facilities and equipment where there are none. The minimum expenditure would be for navigational aids at the smaller airports.

This recommendation for an annual minimum expenditure stems from our analysis of the FAA's five-year program for facilities and equipment. As far as we can determine, only about 7 percent of the $2.1 billion total, approximately $153 million, is earmarked for establishment of the new facilities we recommend. The bulk of the money is planned for upgrading existing facilities. For example, the FAA plans to spend $238 million replacing the long-range radars, $130 million replacing Airport Surveillance Radars, $102 million relocating airport control towers and $182 million modernizing Flight Service Stations.

Clearly, this work is important, but we believe a higher priority needs to be placed on installing needed facilities and equipment where none now exist, as I outlined earlier. Requiring a minimum expenditure would greatly aid in carrying out the directive in the declaration of policy of H.R. 6721 that the use of safety facilities be maximized and that the highest priority be given to commercial service airports.

That completes our statement, Mr. Chairman. I have deliberately been brief because you have a lengthy list of witnesses today. Our statement of last September contains many general comments that are still highly relevant now. We have concentrated today on the facilities and equipment portion of the legislation because it most directly affects aviation safety.

Again, I want to commend you for including adequate authorizations for facilities and equipment in your bill. Mr. O'Brien and I will now be pleased to answer any questions you have for us concerning other aspects of the airport and airway development legislation. We can also provide more details on the needs for additional facilities and equipment and on the funding levels necessary to satisfy those needs.

Thank you.

Mr. **Anderson**. Please proceed.

TESTIMONY OF JACK HOWELL, EXECUTIVE CENTRAL AIR SAFETY CHAIRMAN, AIR LINE PILOTS ASSOCIATION, ACCOMPANIED BY JOHN O'BRIEN, MANAGER, ENGINEERING AND OPERATIONS, ALPA

Mr. **Howell**. Thank you, Mr. Chairman.

Good afternoon, Mr. Chairman and members of the subcommittee. I am Jack Howell, executive central air safety chairman of the Air Line Pilots Association. ALPA represents the professional interests of more than 33,000 pilots employed by 31 airlines.

With me today is John O'Brien, manager of engineering and operations in our engineering and air safety department.

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That is important, because it is facilities and equipment that relate most directly to aviation safety. They provide the necessary guidance to enable pilots to approach the airport and land safely under all but the most extreme weather conditions. The fact that most airline accidents occur during approach and landing underscores the importance of proper facilities and equipment to aviation safety.

In ALPA's testimony to the subcommittee last September, we said: "regardless of airport size or the number of passengers, all air carrier airports need certain facilities and equipment to attain the desired level of safety."

Your bill recognizes this longstanding national need. H.R. 6721's declaration of policy states that: "this Act should be administered in a manner to maximize the use of safety facilities, with the highest priority for commercial service airports * * *". The policy language goes on to state unequivocally that this goal includes: "installing, operating, and maintaining a precision approach system and a full approach light system for each primary runway, grooving or friction treatment of all primary and secondary runways, a nonprecision instrument approach for all secondary runways, runway end identifier lights on all runways that do not have an approach light system, electronic or visual vertical guidance on all runways, runway edge lighting and marking, and radar approach coverage for all airport terminal areas."

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There is much to be done. As a minimum, ALPA believes that every commercial service airport should have an instrument landing system (ILS), an approach light system, a control tower and partial radar service. In addition, every runway should have a visual approach slope indicator (VASI), and all runways without approach lights should have runway end identifier lights (REIL).

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Four brief comments. First: We fully support the FAA's plan to spend $2.1 billion for facilities and equipment. That plan will do much to fulfill real and longstanding safety needs. The only difficulty with the FAA plan is that it does not go far enough, in our view.

Second: Our estimate of $800 million for new facilities and equipment does not, as I implied earlier, contain any allowance for inflation between now and the end of fiscal 1985.

Third: The facilities and equipment needed now do not involve high technology or an extensive research and development program. With the exception of MLS, all the items are commercially available off the shelf right now. There is no technical reason for delay.

Fourth: Our estimate does not include any funds for grooving or friction treatment of runways. As you know, money for that comes out of the airport development aid program (ADAP) and not out of facilities and equipment (F. & E.) funding. For many years, ALPA has urged grooving or friction treatment for all air carrier runways, and we were pleased to see a provision added to the Senate bill. That provision requires such grooving or other friction treatment for primary and secondary runways as the Secretary determines to be necessary: "If the airport is to continue holding its FAA certificate." We commend this language to you for possible inclusion in your bill.

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The total for facilities and equipment in your bill is slightly less than what would probably be required to meet the needs we have identified when an allowance for inflation is included. Nevertheless, the subcommittee bill is a major improvement over what we have had in the past and over other current proposals. We urge you to report H.R. 6721 with the authorizations for facilities and equipment that it now contains and to be steadfast in resisting attempts to reduce those authorizations.

We also respectfully suggest that you consider including in your bill a specific directive to the Secretary of Transportation requiring a minimum annual expenditure for facilities and equipment where there are none. The minimum expenditure would be for navigational aids at the smaller airports.

This recommendation for an annual minimum expenditure stems from our analysis of the FAA's 5-year program for facilities and equipment. As far as we can determine, only about 7 percent of the $2.1 billion total, approximately $153 million, is earmarked for establishment of the new facilities we recommend. The bulk of the money is planned for upgrading existing facilities: For example, the FAA plans to spend $238 million replacing the long-range radars, $130 million replacing airport surveillance radars, $102 million relocating airport control towers and $182 million modernizing flight service stations.

Clearly, this work is important, but we believe a higher priority needs to be placed on installing needed facilities and equipment where none now exist, as I outlined earlier. Requiring a minimum expenditure would greatly aid in carrying out the directive in the declaration of policy of H.R. 6721.

That completes our statement, Mr. Chairman. I have deliberately been brief because you have a lengthy list of witnesses today. Our statement of last September contains many general comments that are still highly relevant now. We have concentrated today on the facilities and equipment portion of the legislation because it most directly affects aviation safety.

Again, I want to commend you for including authorization for facilities and equipment in your bill. Mr. O'Brien and I will be pleased to answer any questions you have for us concerning other aspects of the airport and airways development legislation. We can also provide more details on the needs for additional facilities and equipment and on the funding levels necessary to satisfy those needs.

Thank you.

Mr. **Anderson**. Thank you very much for your presentation. We are in the middle of the vote. We will have to go vote, and we will then come back, and go on to some questions. We will stand in recess for about 10 minutes.

[Short recess.]

Mr. **Anderson**. The meeting of the subcommittee will come to order.

We have just completed your testimony.

You do not want to change anything, do you?

Mr. **Howell**. No, sir.

Mr. **Anderson**. In your testimony you propose that we require a minimum expenditure for facilities and equipment at airports which currently do not have any.

In your opinion, what would be a good minimum to require?

Mr. **Howell**. We would have to consult the list of airports we have compiled, ascertain where those deficiencies are, and from that extract the dollar total. We have run some summary totals, for example, about the numbers of ILS's, the cost per ILS, and the total cost for all needed ILS's. But we have not computed the cost of the needed equipment at each airport. But we can extract it from the data.

Mr. **O'Brien**. Another approach is to look at the FAA proposed 5-year plan and, as Jack testified to earlier, suggest what would be needed at each air carrier and commuter airport.

Mr. **Anderson**. I think the reason we asked the question is that in your testimony you stated: "The minimum expenditure would be for navigational aids at the smaller airports. We also respectfully suggest that you consider including in your bill a specific directive to the Secretary of Transportation requiring the minimum annual expenditure for facilities and equipment where there are none."

So, we want you to elaborate on both of those, whether it is in dollar amount or a specific requirement that you want.

Mr. **O'Brien**. We identified the total dollar amount that would be needed to fund the minimum facilities we believe are needed at air carrier and commuter airports. Then we identified a percentage of the total amount that was made up of what FAA proposed to spend in its 5-year program, plus the additional dollar amount needed to fund these needed facilities.

If you look at that percentage of the new total, it comes out to be about a third, or 30 percent, of that $580 million per year for 5 years.

Mr. **Anderson**. Do you find any fault with the criteria the FAA currently uses to determine which airports should receive particular types of facilities and equipment?

If so, do you have any recommendations for changing the criteria?

Mr. O'**Brien**. Yes.

We testified before the committee last September and suggested the criteria the FAA currently uses are a little outdated. The enplanement criterion we believe is not the most realistic one. There are additional factors to be considered.

There are many people who fly to an airport on an airplane that never enplane or deplane. Therefore, the transit of these people through a particular airport is not counted in the total of passengers that use that airport. Nevertheless, these uncounted passengers are exposed to the situation at a particular airport, such as the lack of an ILS or other equipment, which is not providing the highest level of safety that should be available.

So, if you look at the number of air carrier operations versus the number of commuter operations versus the number of general aviation operations that are required to qualify a particular location, say, for a control tower or an ILS, we believe they are a little bit unrealistic. If you have two air carrier operations and 200 general aviation operations a day at a particular airport, the potential exposure to a mid-air collision the same as if you had 200 air carrier operations and two general aviation operations.

So we think the FAA criteria that estabish the requirements for facilities are in need of revision. More realistic guidelines could be established address the particular traffic mixes that we see at some of the medium and smaller airports around the country today.

Mr. **Anderson**. Are you satisfied that the new terminal control area that has been established for San Diego is adequate to solve the problems in that area?

In what other cities are new TCA's needed?

Mr. O'**Brien**. The answer to the first question is no.

Mr. **Anderson**. You are not satisfied with the new TCA?

Mr. O'**Brien**. No.

For one thing, it should be a Group 1 TCA. The air space—the way it is divided up, altitude and segment, is a very complex situation. Really, it could be greatly simplified.

I suggest rather than going into that now in detail, we can provide to you our response to the FAA notice of proposed rule making. We have proposed a much simpler air space plan. In addition, a TCA in itself is not going to solve the mid-air collision problem.

You must couple the TCA with a ground-based conflict-alert system and an airborne collision avoidance system. It is these three main ingredients that will provide more of a solution to the total problem than just inclusion of a TCA.

Mr. **Anderson**. We do not have that anywhere.

Mr. O'**Brien**. That is correct. We are getting toward the question of what else could be done or should be done, and is the TCA the answer to the question.

The answer is no.

What should be done is inclusion of a ground-based conflict system and an airborne collision avoidance system. A TCA alone will not do it at San Diego, or anywhere else. There are other locations around the country that need TCAs.

When the FAA proposed its program for 44 additional TCAs last year, there were seven locations that qualified under existing criteria. I think that if the FAA had not proposed a total of 44, if it had proposed a total of maybe 15, you would not have seen the large amount of adverse reaction to the proposal. You probably would have seen a TCA at San Diego, or at the seven other locations——

Mr. ANDERSON. Do you remember what they were?

Mr. O'BRIEN. The seven locations?

Mr. ANDERSON. Yes.

Mr. O'BRIEN. I can't recall off the top of my head, but we have provided testimony in the past. We can make it available to you.

[The information received appears on page 556.]

Mr. ANDERSON. In the past you have spoken out against State administered lock grant programs for airport development.

Yesterday we heard a new proposal for the Federal Government to match State airport development funds. It is claimed that this would encourage the development of airports by State governments.

Do you have any comment on this new proposal?

Mr. HOWELL. One brief comment that I would make would be to echo a phrase we heard a little earlier. We are afraid that we would all too quickly have to deal with 50 FAAs if that were to come about. We are not terribly enamoured with that direction.

Mr. O'BRIEN. The complexity of having 50 different ways of doing this business is something we do not look forward to.

Mr. ANDERSON. This proposal yesterday was a proposal calling for the Federal Government to match the State airport development funds. It was not a total transfer, as was the question before.

But this was one way of saying or rather the feeling was this might have encouraged development of airports by State governments.

Mr. O'BRIEN. In some respects, it is different. But some of the same concerns expressed to the original proposal would also be valid still with this proposal, even though it was a shared responsibility. When you add another level of complexity in the allocation of funds——

Mr. ANDERSON. It is not adding a new one.

The States already have the authority to do it and in some cases are doing it. What this proposal was, was that we should match those State funds with Federal funds.

So it is not adding a new layer anymore than what we have today.

Mr. O'BRIEN. It is true, there are a few States that do have programs such as you envision. The proposal, if I understand it, is to match those State funds.

Maybe I have a misconception, but you might encourage other States to develop similar programs. You could have as many as 50 different States with 50 different programs to deal with. We have not looked into that problem in much detail other than to view it with concern over the potential problem of dealing with 50 different State governments in asking for allocations of funds at specific airports.

Now we can go to an FAA regional director and present our case concerning specific problems at certain airports. Now, if we would have to do that in 50 different States to increase the availability of funds and to make our views known on what funds should be spent at specific locations, it would just increase the amount of work we would be faced with in providing necessary facilities.

Mr. **Anderson**. In ours, though, we propose spending $225 million out of the discretionary fund over the next five years to establish and develop our reliever airports.

We also propose a primary hub apportionment from which significant funds will be directed at developing relievers to relieve congestion at our largest hubs.

Do you believe the program we have proposed for development of relievers is adequate?

If not, what suggestions would you make in this area?

Mr. **O'Brien**. We believe the program is indeed adequate. The program addresses a valid concern in that some of our airports are becoming overcrowded because of the lack of adequate facilities at reliever airports.

The direction, as we understand it in the bill, is indeed the right direction.

Mr. **Anderson**. Over the next 5 years, the FAA plans to spend $253 million for the backbone of the proposed collision avoidance system.

Are you satisfied with the FAA's program to establish a collision avoidance system?

Mr. **O'Brien**. First of all, we are firmly convinced that we need an effective airborne collision avoidance system. We also believe that we need a system like DABS to move traffic expeditiously through the system. We are not convinced we should necessarily tie our collision avoidance system to DABS.

There are several reasons for this:

One of the primary reasons is the need for a backup, independent system. If you tie your protection against mid-aid collisions to a ground-based system, then you eliminate some of the redundancy and backup that would be provided by an airborne system or a system that would be independent of DABS. We believe that it is well within the state of the art to provide a system that does not necessarily depend upon DABS and that could provide an adequate amount of protection.

In addition to the interdependency, we are concerned that if we tie our collision avoidance system to DABS, we will not have full protection for many years in the future. It would require the installation of special DABS systems around the country before you would have full protection, and then you would only have it in this country. More than 50 percent of the pilots we represent often fly outside this country. There are other places where we need protection against mid-aid collisions.

If it is possible to design a collision avoidance system that is independent of the ground and does not necessarily rely on any particular type of ground system, then we would be ahead as far as safety is concerned.

Mr. **Anderson**. Mr. Fary?

Mr. **Fary**. No questions.

Mr. **Anderson**. Thank you very much, Mr. Howell, and Mr. O'Brien, for a fine presentation.

[The following was received for the record:]

AIR LINE PILOTS ASSOCIATION
1625 MASSACHUSETTS AVENUE, N.W. □ WASHINGTON, D.C. 20036 □ (202) 797-4000

April 25, 1980

The Honorable Glenn Anderson
Chairman, Subcommittee on Aviation
Committee on Public Works and Transportation
U. S. House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

On March 26, during a hearing of the Subcommittee on H.R. 6721, you discussed Terminal Control Areas (TCAs) with ALPA witnesses.

To supplement our testimony, we are enclosing a list of airports that we believe should be considered for TCAs. The airports are ranked by the number of air carrier operations, which we believe is a more valid criterion than the FAA's "nationally enplaned passengers."

Also enclosed are copies of our comments to the FAA on the agency's initial proposal for Controlled Visual Flight Rules and our comments on the proposed TCA at San Diego.

This additional information is offered for inclusion in the hearing record or for any other purpose the Subcommittee wishes.

Sincerely,

Robert F. Bonitati /

Robert F. Bonitati
Director of Legislative Affairs

RFB:hcs
Enclosure

SCHEDULE WITH SAFETY AFFILIATED WITH AFL-CIO

GROUP II TCA PROPOSAL - FAA

Location	Total Operations CY-1978	Total A/C Operations	Remarks
Memphis, TN	340,126	150,567	NPRM due 9-01-80
Tampa, FL	213,529	129,613	NPRM issued
Honolulu, HI	331,316	121,056	NPRM issued
Phoenix, AZ	366,155	103,146	NPRM due 4-07-80 -, issued
Ft. Lauderdale, FL	302,788	85,913	NPRM due 5-15-80
Orlando, FL	108,105	85,024	NPRM due 7-01-80
San Diego, CA	158,616	84,796	
Portland, OR	195,775	82,361	NPRM due 11-11-80
Indianapolis, IN	208,376	79,306	
Cincinnati, OH	121,738	78,628	
Buffalo, NY	147,880	78,494	
Salt Lake City, UT	226,207	76,876	Withdrawn by FAA
Milwaukee, WI	204,400	73,262	
Baltimore, MD	208,005	73,003	
Charlotte, NC	217,089	67,217	
Nashville, TN	209,141	64,134	
Hartford, CT	146,604	63,249	
Anchorage, AK	197,947	60,922	
Louisville, KY	127,774	59,405	
San Jose, CA	258,780	59,800	
San Antonio, TX	205,960	58,760	
Columbus, OH	186,896	56,962	
Dulles, VA	133,201	54,747	
Oklahoma City, OK	138,190	51,854	
Dayton, OH	127,316	51,371	
San Juan, PR	191,459	46,979	
Albuquerque, NM	201,762	46,886	
Rochester, NY	130,243	44,629	
Omaha, NE	125,838	45,960	
Birmingham, AL	164,700	44,540	
Kahului, HI	103,793	43,052	Withdrawn by FAA
Sacramento, CA	100,412	42,153	
Norfolk, VA	121,465	40,921	
Reno, NV	168,278	38,869	
Jacksonville, FL	101,065	37,529	Withdrawn by FAA
Wichita, KS	191,974	36,118	
El Paso, NM	145,953	34,827	Withdrawn by FAA
Des Moines, IA	162,421	34,700	Withdrawn by FAA
Burbank, CA	234,852	34,395	
Raleigh-Durham, NC	161,456	34,103	
Greensboro, NC	127,869	33,155	
Ontario, CA	144,516	32,952	
Syracuse, NY	120,055	31,844	
Richmond, VA	130,241	31,626	
Austin, TX	150,318	29,348	
Albany, NY	114,638	28,884	Withdrawn by FAA
Houston, TX (Hobby)	294,992	28,536	
Spokane, WA	90,103	27,461	
Lihue, HI	65,616	26,841	Withdrawn by FAA
Knoxville, TN	103,715	24,568	
Charleston, SC	124,308	24,412	
Madison, WI	115,404	22,534	

AIR LINE PILOTS ASSOCIATION
1625 MASSACHUSETTS AVENUE, N.W. ◻ WASHINGTON, D.C. 20036 ◻ (202) 797-4000

March 19, 1979

Federal Aviation Administration
Office of the Chief Counsel
800 Independence Avenue, S.W.
Washington, DC 20591

Attention: Rules Docket (AGC-24)
Docket No. 18605

Gentlemen:

This is in response to the Notice of Proposed Rule Making (NPRM) on "Controlled Visual Flight Rules," Notice 78-19, Docket No. 18605 issued on December 27, 1978.

On January 17, 1979, the Air Line Pilots Association petitioned for an extension to the comment period. The petition was denied. We realize that as the deadline approached, a last minute decision was made to extend the comment period for an additional thirty days. We think this was unfortunate because it denied the public adequate time to conduct as extensive an analysis as the proposal dictated. As a result, we feel that many comments submitted were based on emotional reaction rather than a critical technical analysis. Before commenting on the specific Regulatory Proposals, we first would like to make some general comments on the overall preamble to the proposal.

GENERAL

The Air Line Pilots Association fully supports any action by the agency to provide "increased aircraft separation protection for Air Carrier, Commuter Airline and general aviation passengers." But we are not sufficiently naive to believe that increased control of aircraft solely by the ground Air Traffic Control System is a guarantee of separation assurance. In addition this proposal will, if implemented as proposed, have a definite negative impact on the growth of aviation. We suggest that the agency expend similar efforts to cope with the forecast growth as well.

While we agree that the U.S. Air Carrier safety record has significantly improved in recent years, we do not agree that the "probability of a collision is extremely remote." ALPA is concerned that the near-miss statistics over the past five (5) years would seem to indicate otherwise. For example, the FAA's own figure of 457 near midair collisions which occurred in 1978, for whatever reason, is more than an 80% increase over 1977. Comparing such statistics to numbers of operations is irrational. The fact remains that the probability of collision has been steadily growing even in areas where positive control is exercised and can be expected to get worse as traffic volumes increase. ALPA does not take the ATC system for granted. Entirely too many near-misses occur when both aircraft involved are under the direct control or in communications with an ATC facility.

We are especially concerned over the possibility of a collision in or near the terminal area. This concern is heightened because of the following statement which appeared in an FAA technical paper titled Aircraft Separation Assurance Technical Development, February 1979 - "the majority of risk of collision fatalities for air carriers is concentrated in the terminal area part of the controlled system where traffic densities are high." Also, the special analysis of near midair collision reports conducted by NASA supported the contention that the highest probability of midair collisions exist in the terminal areas.

Simply putting more aircraft under direct control to be separated by "the ATC system" is not adequate. History has proven that there is an urgent need for an effective backup to the see-and-avoid concept and even to the system of stringent control. That is why ALPA has consistently urged the continued development and early implementation of a Collision Avoidance System. We note the FAA plan to require an Active Beacon Collision Avoidance System in all air carrier, air taxi and military aircraft by January 1985. We believe that an Active BCAS is inadequate, and the target date is unacceptable. Sufficient development has been accomplished over the past decade to indicate that a full capability Collision Avoidance System could be available long before 1985 if efforts were directed toward an airborne system totally independent of any ground system. We again urge FAA to pursue this goal as a high priority effort before a semi-effective system is mandated as a result of another midair collision, such as the one which recently occurred in San Diego, California.

ENROUTE AIRSPACE

The Air Line Pilots Association seriously doubts that today's Air Traffic Control system has the capacity nor the personnel available to handle the additional workload reflected in the proposal, but our comments which follow are based on the assumption that such capabilities may be made available at some future date.

ALPA supports the proposal to lower Positive Controlled Airspace below 18,000 feet MSL including the airspace defined as the Eastern and Western steps. ALPA would prefer, however, that all operations in the proposed lowered airspace be conducted purely under the Instrument Flight Rules as is currently required for operations at and above 18,000 feet MSL. Only as an alternative, could ALPA accept the concept of Controlled Visual Flight and then, subject to the adoption of certain additional provisions which are discussed later in this letter.

The proposal failed to speak to the ATC procedures and separation standards to be applied in the handling of Controlled Visual Flights. This makes it difficult to assess the practicality and acceptability of the concept. For example, it is not known if procedural separation is intended to be used as well as radar separation between IFR and CVF aircraft. If procedural separation is intended, then ALPA believes that additional equipment and pilot certification requirements will be necessary. In-flight failure of transponders on the CVF aircraft also needs to be considered.

The requirement for the CVF pilot to file a flight plan is also of concern. This could have a serious impact on: 1) The ATC flight plan processing system, and 2) The users themselves. Many operators do not file VFR flight plans today simply because of the inaccessibility of the system at many airports. It would seem reasonable to allow the CVF pilot to air-file his intentions and obtain an ATC clearance before entering or leaving the airspace. The CVF pilot should also have access to the airspace equal to that of any other flight and not be denied clearance as is frequently the experience in a VFR flight's attempt to traverse a Terminal Control Area.

If the concept is implemented, and experience indicates that air-filing of flight plans causes unacceptable frequency congestion, it may subsequently be necessary to require mandatory filing of flight plans prior to departure. To enhance the operation of air-filing, it may be necessary to establish a center- or sector-discrete frequency for this purpose.

The NPRM is extremely vague as to the specific qualifications of the CVF pilot. ALPA believes that the CVF pilot must hold at least a Private Pilot Certificate and demonstrate the following experience and comply with the following equipment requirements in addition to the requirements specified in the NPRM:

1. If procedural separation is to be used, CVF pilots should, under visual conditions, demonstrate ability to navigate by radio aids, maintain altitude and comply with ATC clearances to the degree required of an Instrument Rated Pilot. (i.e., tuning and using VOR-DME facilities, copying clearances, holding procedures, etc.)
2. The CVF pilot should be required to comply with the provisions of FAR Part 91.123 regarding course to be flown.
3. If procedural separation is to be used, VOR, Altimeter and Static System Check and inspection requirements need to be specified for CVF, equivalent to IFR Standards.
4. A Directional Gyro will be required.
5. If the CVF concept is adopted, ALPA recommends that 1,000 feet vertical separation be applied between all aircraft in the applicable airspace. We believe this is necessary due to flight technical and altimeter errors, wake turbulence and potential effect on the conflict alert program of the ground system if a lesser value is applied.

TERMINAL AIRSPACE

The Air Line Pilots Association supports the deletion of the Group III Terminal Control Area (TCA) provision provided that the announced program for Terminal Radar Service Areas (TRSA) and the Terminal Control Areas is vigorously pursued. ALPA is also of the opinion that transponders with altitude encoders should be required for all aircraft operations in all TCAs and TRSAs as they are implemented and at existing locations as soon as possible. The ATC system should provide for access through a TCA by VFR aircraft as long as the pilot is qualified and the aircraft properly equipped. Guarantee of such services will be even more important with the raising of the TCA airspace to the base of Positive Controlled Airspace.

As regards Terminal Radar Service Areas (TRSAs), ALPA supports the expansion of this service to additional airports, primarily as a forerunner to the establishment of a Terminal Control Area (TCA). In addition to requiring an altitude-reporting transponder, ALPA believes that Regulations should specify that aircraft proposing to operate through or within a TRSA must establish and maintain communications with the appropriate facility. The proposed requirements for altitude-encoding transponder capability are reasonable in view of the nation's investment in the sophisticated air traffic control ground equipment and as a prelude to the advent and enhancement of an airborne Collision Avoidance System.

COMMENT ON SPECIFIC PROPOSALS

Proposals

#1, 2, & 3 As written, the proposals tend to confuse the reader as to the technical difference between Positive Controlled Airspace and Positive Control Area. For example, it is proposed to define "Positive Controlled Airspace" as "airspace in which Positive Control is exercised." Positive Control is exercised in Terminal Control Areas, yet a TCA is not a Positive Control Area. We recommend that an effort be made to simplify airspace definitions and further suggest consideration of adopting ICAO definitions.

#4 ALPA concurs with the proposed amendment to Part 71.9 "Continental Control Area."

#5 ALPA does not concur. Recommend the second sentence of the proposal read: "Unless otherwise...control zones terminate at the base of the Continental Positive Control Areas or up to but not including 3,000 feet above the airport elevation, whichever is higher."

#6 ALPA concurs with the proposed amendment to Part 71.12.

#7 ALPA concurs with the proposed amendment to Part 71.193.

#8 ALPA concurs with the proposed amendments to Part 91.24(b).

#9 ALPA concurs with the proposed amendment to Part 91.70 with comment. ALPA recommends that the proposal be expanded to include arriving aircraft as well. We believe the controller can apply speed adjustments as required in either case to maintain separation. Speed adjustments should conform to the procedures specified in Handbook 7110.65A. If the alternative is adopted, ALPA recommends that the amendment specify "a speed not greater than 350 knots for all departures and arrivals." REASON: This will permit any turbojet aircraft to climb/descent at its optimum fuel-conserving speed.

__Proposals__

#10 ALPA concurs with the proposed amendment to Part 91.75 if the concept of Controlled Visual Flight is adopted.

#11 ALPA concurs with the proposed deletion of Part 91.90(c), "Group III Terminal Control Areas."

#12 ALPA concurs with the proposed amendment to Part 91.97(a) if the concept of Controlled Visual Flight is adopted.

#13 ALPA concurs with the proposal to add the new heading "Controlled Visual Flight" if the concept is adopted.

#14 If the Concept of Controlled Visual Flight is adopted, ALPA:

a. Concurs with proposed Part 91.111(a)
b. Concurs with proposed Part 91.111(b)
c. Concurs with proposed Part 91.111(c) (1) for IFR aircraft only because of the expected impact on the system if this requirement is applied to VFR aircraft.
d. Concurs with proposed Part 91.111(c) (2)
e. Concurs with proposed Part 91.111(c) (3)
f. Recommends that a subparagraph (c) (4) be added to read: "(4) The pilot holds at least a Private Pilot Rating."
g. Concurs with proposed Part 91.111(d) 1 thru 5 and recommends that a subparagraph (6) be added to read: "(6) Comply with FAR Part 91.123."

__NOTE: #1__ It appears that a subparagraph (3) was not printed in the issuance of the NPRM. We were advised that the omitted subparagraph required the CVF pilot to maintain continuous communications with ATC. If this is true, we concur.

__NOTE: #2__ Please note the additional Pilot Qualifications and Equipment Requirements recommended in the body of this letter.

#15 ALPA concurs with the proposed amendment to Part 105 with comment. It is recommended that Part 105 be amended further to require:

a. That no parachute jump shall be made at night unless the person is equipped with a light that is visible for at least three miles; and
b. That the light be displayed at all times after the person has jumped from the aircraft.

ALPA offers the following reasons for expressing concern about the feasibility of effectively implementing a Controlled Visual Flight concept:

1. The need to include in the Biennial Flight Review a review of the procedures and regulations for CVF operations.
2. FAA computer capacity for processing CVF flight plans and for radar tracking purposes.
3. Availability of sufficient discreet beacon codes for assignment to CVF operations.
4. Need for maintenance of Avionics and flight instruments.
5. Need for additional frequencies to avoid frequency congestion.
6. Potential increased delays to IFR aircraft and impact on flight plan fuel requirements based on delays caused by CVF.
7. Effect of lowering Postive Control Airspace to compress traffic at altitudes below 10,000 feet.
8. Staffing problems and/or unrealistic estimate of staffing requirements to cope with additional operations.
9. Loss of flight flexibility due to further center resectoring.
10. Lack of VORTAC facilities strategically located on or nearly adjacent to airports selected for TCA implementation making airspace definition and recognition extremely difficult.
11. Lack of regulatory requirements for aircraft transponders to be operated in-flight.
12. Non-availability of weather information between reporting stations may cause a frequent conflict between a CVF clearance and the pilot's ability to remain in VFR weather conditions. This situation is not a problem in TCAs because of smaller volume of airspace and availability of weather.

#15

a. That no parachute jump shall be made at night unless the person is equipped with a light that is visible for at least three [illegible]

b. That [illegible]

13. Unrealistic cost estimates for implementing the proposed program. The cost of this program should be funded separately and not at the expense of other on-going safety programs related to separation assurance. ALPA believes that dollar-for-dollar expenditures on a Collision Avoidance System will provide more separation assurance than the long-term increased ground control program.

Thank you for the opportunity to comment.

Sincerely,

John O'Brien

John E. O'Brien, Manager
Engineering & Operations
Engineering & Air Safety Department

JEO'B:EX:dy

bcc: Local Safety Chairmen
Central Safety Chairmen
Area Safety Coordinators
ATC Coordinators
Technical Committee Chairmen
Air Traffic Control Committee
J. Howell
R. Gerber
John Tower
Joe Ponti

AIR LINE PILOTS ASSOCIATION
1625 MASSACHUSETTS AVENUE, N.W. □ WASHINGTON, D.C. 20036 □ (202) 797-4000

January 24, 1980

Federal Aviation Administration
Office of the Chief Counsel
800 Independence Avenue, S.W.
Washington, DC 20591

Rules Docket (AGC-24), Docket No. 19829

Gentlemen:

This is in response to the Aircraft Owners and Pilots Association's petition for Special Air Traffic Rules for San Diego International Airport - Lindbergh Field, San Diego, California which was published in the Federal Register, Volume 44, No. 236 on Thursday, December 6, 1979.

The Air Line Pilots Association fully appreciates the Aircraft Owners and Pilots Association's recommendation to establish a Special Rule to enhance the safety of flight operations in the vicinity of Lindbergh Field. While the AOPA proposal is somewhat intriguing, in that it would designate "safety corridors" as defined airspace for the positive control of aircraft, the Air Line Pilots Association is opposed to the proposal for several reasons:

1. ALPA is opposed to the proliferation of Special Rules promulgated under Federal Air Regulations, Part 93 for individual airports as opposed to the designation of Terminal Control Areas already provided for under Part 71.12. We are not aware of any changes that have occurred to warrant such a change in concept or philosophy.

2. The proposal does not specify pilot qualifications for operating in the defined airspace.

3. The proposal does not specify aircraft equipment requirements for operating in the defined airspace.

4. The airspace proposed for the safety corridors is too restrictive and places the burden of operating penalty on one class of user, namely, the operator of large turbine-powered aircraft while allowing smaller, general aviation aircraft to operate in the San Diego area virtually unrestricted.

5. As we understand the intended use of the safety corridors, only one-way operation could be conducted. This is totally unacceptable.

6. The airspace in the immediate vicinity of Lindbergh Field (Areas A, B, C and G) of the proposal is too low. It would require arriving and departing turbine powered aircraft to operate for

extended periods of time at low altitudes. This is inefficient from a fuel standpoint and extremely undesirable from a noise impact standpoint.

7. The airspace, as defined, does not permit the flexibility necessary for application of efficient air traffic control procedures.

8. The proposed airspace does not provide for containing aircraft in the airspace during a missed approach procedure for ILS Runway 9.

9. Pilots of aircraft without transponders could presumably fly within the airspace, if authorized, but the ATC would not have the ability to reliably detect such aircraft on radar, making separation difficult.

10. Radical changes to the proposal would be necessary to satisfy the operating requirements of large turbine-powered aircraft.

The only advantage that ALPA can see to the AOPA proposal is the establishment of corridors for climbs and descents which tends to reduce the airspace required as opposed to the usual airspace allocated for Terminal Control Areas. ALPA advocates the use of corridors where feasible to conserve airspace, but of sufficient lateral dimensions to permit two-way operation.

In summary, the Air Line Pilots Association does not support the Aircraft Owners and Pilots Association's recommendation as outlined in the Petition.

Sincerely,

John O'Brien

John E. O'Brien, Manager
Engineering and Operations
Engineering and Air Safety Department

JEO'B:lgr

bcc: J. Howell
ATC Committee
B. Horn - NBAA
J. Baker - AOPA

AIR LINE PILOTS ASSOCIATION
1625 MASSACHUSETTS AVENUE, N.W. □ WASHINGTON, D.C. 20036 □ (202) 797-4000

February 1, 1980

Director, FAA Western Region
Federal Aviation Administration
15000 Aviation Boulevard
Lawndale, CA 90261

Attention: Chief, Air Traffic Division

Re: Docket No. 18605/79-AWE-17

Dear Sir:

This is in response to the Notice of Proposed Rulemaking published in the Federal Register, Vol. 44, No. 236 on Thursday, December 6, 1979, proposing a Group II Terminal Control Area for San Diego, California.

The Air Line Pilots Association supports the proposal to establish a Terminal Control Area under Federal Air Regulation Part 71 at San Diego, California, as soon as possible. Ever since the midair collision on September 25, 1978, ALPA has been advocating the need to change certain Air Traffic Control Procedures to preclude a recurrence of such an event. Since that time, there have been several near midair collisions reported between controlled and uncontrolled aircraft in the same area.

While we are not convinced that the establishment of a Terminal Control Area alone will guarantee total security from a potential midair collision at any airport, ALPA does support the philosophy of TCA's minimizing and/or eliminating the number of uncontrolled aircraft operating in the vicinity of airports served by commercial airliners. With respect to the San Diego TCA, ALPA offers the following recommendations:

1. The San Diego Terminal Control Area should be designated as a Group I TCA subject to the operating rules, pilot qualifications and equipment requirements of Federal Air Regulation Part 91.90(a).

   Reason: The concept of positive control in dense terminal areas was originally implemented at a time when only a few terminal ATC radar facilities had the capability to interrogate Mode C information of airborne transponders. Today, a large number of terminal radar facilities are equipped with the more sophisticated ARTS III and ARTS II systems capable of displaying to the controller the altitude of all properly equipped controlled aircraft. In fact, every present Terminal Control Area facility has this capability. It seems reasonable to expect aircraft operations to equip their aircraft so as to be compatible with the ground system. We also understand that there are no student operations conducted at Lindbergh Field.

In 1970, very few general aviation aircraft were equipped with transponders with altitude encoders. Therefore, to minimize the burden on that segment of airspace user, the categorization of Group I, II and III TCA's was developed and the more stringent requirement was placed on operations in the most dense locations.

The number of light aircraft equipped with Mode C transponders has significantly increased during the past ten years. ALPA believes that Automatic Altitude Reporting is a significant enhancement to the ATC system which has many advantages for both the pilot and controller in terms of reduced communications, cockpit workload, conflict alert, safety advisories, etc. Aircraft operators should be encouraged to become compatibly equipped when operating within the ATC system.

2. The airspace proposed for San Diego (17 segments) appears to be overly complex. ALPA recommends it be simplified to any extent possible. In this regard, we offer the following suggestions for your consideration:

   a. Change Area A to read "Surface to 7000 feet, allowing for a VFR corridor from 3300 to 4700 feet".

   b. Change Area B to read "1800 feet to 7000 feet".

   c. Change Area C to read "3500 feet to 7000 feet".

   d. Combine Areas D and E and change to read "4800 feet to 12,500 feet".

   e. Change Area I to read "2800 feet to 7000 feet allowing a VFR corridor from 3300 to 4700 feet".

   f. Change Area J to read "4800 feet to 7000 feet".

Any additional changes to the proposed TCA which would simplify the airspace designations should be given serious consideration by FAA.

We recognize that the airspace use situation in the San Diego area is complex and difficult to define if one is to accommodate the diverse requirements of all users. We are aware of the independent and unsuccessful efforts of interested parties to mutually agree on the airspace configuration. Our primary concern is that the airspace designation must accommodate all IFR flight operations within the airspace. This must include missed approach procedures for Runways 9 and 27 as well as airspace for holding procedures. The outer extremities, such as areas D, E, F and K, L, M, N, should be sufficiently wide as to permit two-way operations. In order for pilots to be better able to recognize the boundaries of the airspace, we believe the area should be defined in reference to a NAVAID located on Lindbergh Field. This should be considered for a later change rather than delay implementation.

In summary, ALPA supports the proposal contained in Airspace Docket No. 18605/79-AWE-17 and recommends prompt action to enhance the safety of flight operations in the San Diego area. ALPA also recommends designation of the area as a Group I Terminal Control Area. We believe such action would have little adverse effect on the users and would be in the best public interest for the aforementioned reasons stated in subparagraphs one and two.

We appreciate the opportunity to comment.

Sincerely,

John O'Brien

John E. O'Brien, Manager
Engineering & Operations
Engineering & Air Safety Department

JEO'B:pg

bcc: J. Howell
R. Lahr
ATC Committee
B. Horn - NBAA
J. Baker - AOPA
G. Hartl - ATCA

Mr. **Anderson**. Our next witness will be Ed Driscoll, president of the National Air Carrier Association.

We have your prepared statement. It will be made a part of the record.

[The statement of Mr. Driscoll follows:]

STATEMENT OF EDWARD J. DRISCOLL, PRESIDENT AND CHIEF EXECUTIVE, NATIONAL AIR CARRIER ASSOCIATION

Mr. Chairman, members of this committee, I am Edward J. Driscoll, President of the National Air Carrier Association, appearing here on behalf of Transamerica Airlines and World Airways. We are pleased to have this opportunity to present our views in connection with H.R. 6721, "The Airport and Airways Improvement Act of 1980".

Mr. Chairman, there is no question as to the need for legislation to provide for the improvement of the Nation's airport and airways system; and H.R. 6721, "The Airport and Airways Improvement Act of 1980", ably sets forth such a program. We therefore concur in the general purposes of the bill and the funding level provided therein.

I would like to address my remarks, however, more specifically to the access to airports issue which is one of the major problems confronting the industry. I believe we are eminently qualified to talk about access to airports because over the years I have represented a group of carriers who have been discriminated against and have been denied equal access to airports. During the past several years, however, this discrimination has become less and less; and I am pleased to report to you that the majority of the major airports of this country now accord the carriers I represent basically equal access and equal treatment. There are a few exceptions, however, that I will address later in my testimony together with recommendations as to what can be done to further improve the legislation which I believe will enhance the ability of all carriers to receive equal treatment, equal consideration, equal access to airports.

By way of background, I should note that prior to the amendment of Section 18 of the Airport and Airways Development Act of 1970 by Public Law 94-353, July 12, 1976, the then supplemental air carriers were discriminated against and were refused equal treatment at airports by being refused tenant status, being relegated to less than satisfactory facilities, being required to pay extremely high charges as an itinerant and, in general, were accorded other than equal treatment although these carriers were certificated by the U.S. Government to perform what was classified at the time as supplemental air transportation. The amendments adopted in 1976, pursuant to the Public Law I cited, made certain that any air carrier authorized to engage in air transportation, pursuant to Sections 401 or 402 of the Act, would be subject to nondiscriminatory and substantially comparable rates, fees, rentals, and other rules, regulations, and conditions as are applicable to all such air carriers which make similar use of such airport; and if further provided that the status of tenant should not be unreasonably withheld by any airport provided the air carrier was willing to assume obligations substantially similar to those already imposed on existing tenant air carriers. I am pleased to note that Section 10 of H.R. 6721 continues this provision. I believe, however, a further amendment to that provision would aid in further ensuring that all air carriers at all airports receive equal consideration and equal treatment. After the word "facilities" in line 19 of Section 10(a)(1) we recommend adding "including the right to service oneself or to use any fixed base operator that is authorized by the airport or permitted by the airport to serve any carrier on the airport". I think the language is self-explanatory. It means a carrier has the right to handle itself at an airport or to enjoy "freedom of choice" among fixed base operators that may be permitted to provide service to any air carrier utilizing the airport under similar terms and conditions.

I further propose an amendment to Section 10(a)(2) to add the following:

After the word "airport" in line 16—"*Provided, however,* That where there is more than one fixed base operator either authorized or permitted by the port to provide service to any air carrier, all air carriers shall have "freedom of choice" with respect to such fixed base operators."

The intent of the last provision is to make certain that one group of carriers serving an airport is not forced to use one specific fixed base operator or two fixed base operators when other carriers are permitted to use a third fixed base operator who provides a better service at lesser rates than the other two. The net effect is to ensure that any air carrier serving an airport should receive nondiscriminatory treatment under the same rules and regulations as other air carriers and that no one air carrier or group of air carriers should receive preferential treatment nor should an airport be entitled to discriminate between carriers. I believe this recommended change is fully consistent with the intent of the legislation.

ACCESS TO AIRPORTS

Access to airports involves many different factors:

(a) Capacity of the airport—operational facilities—to accommodate high density traffic.

(b) Availability of adequate gate positions to accommodate aircraft in a timely manner.

(c) Adequacy of Customs and Immigration facilities to handle international flights at international airports.

(d) Adequacy and capacity of terminal facilities to provide necessary ticketing, check-in and baggage handling facilities.

Thus it can easily be seen that adequate access to airports involves the airport operator, the Federal Aviation Administration, the Bureau of Customs as well as the Immigration Service, the airlines and last, but not least, the Civil Aeronautics Board.

Since 1968 when the FAA's high density airport traffic rule took effect, specific Federal attention has been directed to four major airports. These are JFK, New York; LaGuardia, New York; Washington National; and O'Hare International in Chicago. When the FAA's high density airport traffic rule took effect, the Civil Aeronautics Board, on petition, granted antitrust immunity to the airlines to meet and allocate among themselves the available slots which were determined to be available by the FAA on an hourly basis.

During these past 11 or 12 years the so-called Airline Scheduling Committees with all air carriers participating who desire to operate into a given airport have allocated the available capacity on a give-and-take basis to make sure that all users of the airport were accommodated in those hours when the capacity of the airport was reached or exceeded. During this period of time there have been slight improvements in the capacity by reason of the addition of improved facilities, etc. The slotting mechanism, specifically with respect to the international airports where World and Transamerica and other charter or supplemental air carriers have been involved—mainly, JFK and O'Hare—has worked exceedingly well. There have been no anticompetitive effects, since all users and potential users have been accommodated. I don't believe anyone would testify that this system has not provided a very useful mechanism for ensuring access to the high density airports involved.

The only criticism that could be launched against this system is that where requirements were met, there was no incentive on the part of the FAA or others to really increase the capacity on a continuing basis. The slotting mechanism was extended at JFK to embrace the Customs facilities, as the Customs facilities for international flights became the limiting factor as far as access is concerned. Customs initially determined that they would not process over 2,500 arriving passengers per hour; (This was later increased to 3,000 per hour and is the current maximum) and the Scheduling Committee coordinated the slotting as far as international arrivals were concerned. This system should have been extended to other airports, such as, Los Angeles where over the years there have been numerous problems regarding access due to unavailability of gates or Customs facilities during high utilization periods. Likewise, the system should have been extended to embrace the Customs Facilities at O'Hare International. Customs itself has more recently within the last year recognized the desirability of having some type of slotting system at O'Hare, Los Angeles, etc. However, the Civil Aeronautics Board has stated that they will not extend the scheduling committee approach to other airports. Rather, they have embarked upon a frolic of their own and suggested that airport slots should be auctioned off with the high bidder getting the most desirable slots and if unusable by the successful bidder, could be resold to other airlines who desire to use the slot. The Board itself has not committed itself to an endorsement of this approach officially, but the staff has published a study by a contractor, Polinomics, for comment.

I don't believe there are many, if any, who believe that an auction system will work satisfactorily. I don't believe there are many who consider that a lottery system will work satisfactorily. There may be other systems that can be suggested, but I think the fundamental question is—if you have a system that has worked well over a period of 12 years and if no one is able to identify a specific case of anticompetitive conduct—if no one is able to document a case where a carrier's requirements have not been met through the give-and-take process—then the question arises—why not continue that system, expand it to airports that need it until such time that a better, tried and tested and proven system has been developed?

Mr. Chairman, we believe that the access to airports problem will be lessened, although it may not be completely solved, if your committee will, until such time as a better system is developed, endorse the airline scheduling committee approach and encourage the Civil Aeronautics Board to continue to approve carrier agreements governing slotting or scheduling either on application of a carrier or the airport and to extend antitrust immunity to such undertakings. Surely if the Civil Aeronautics Board can find it in the public interest to extend antitrust immunity to IATA and its rate-making systems for a period of two years while they attempt to find a more satisfactory solution, they should not deny extending the same consideration to carrier agreements affecting airports when they are free to participate in these meetings together with the FAA, airport management, to satisfy themselves that there is no anticompetitive conduct. They are still not permitted to sit-in on the IATA rate-making conference, even though they have extended anti-trust immunity.

I do not contend that the scheduling committee approach is a panacea to all the problems involving access to airports, but at least it is a mechanism that has proved itself and would alleviate many of the existing problems and could serve as a basis for solving other problems, such as, applying the scheduling approach to the allocation of gates if that is a factor; permitting carriers to work along with airport management to try to maximize the use of existing counters, check-in facilities and others in an attempt to ensure that existing facilities are used to the maximum extent possible.

As I have mentioned previously, the use of Customs facilities could also be controlled through the scheduling committee. In this connection I might point out that at many airports existing Customs facilities are inadequate and need to be enlarged or improved. While the Commissioner of Customs is taking necessary actions to improve his procedures so as to expedite clearances, in many instances improving or increasing capacity at airports to accommodate international clearances can only be accomplished through new, improved or enlarged facilities. We believe that this is one area that the Committee should give special attention in cooperation with the Bureau of Customs to ensure that ADAP funds are available for this purpose. We have many cases where expanding the facilities at airports for international clearances is considered by the airport and the Bureau of Customs to be the responsibility of the airlines. We do not believe that should be the case. We believe that the Federal Government should assume a greater role and that international clearance facilities should be the fundamental responsibility of the Bureau of Customs with participation by the airports and that airlines should not be required to fund an expansion of the facilities in order to increase the capacity to accommodate foreign travellers as well as U.S. travellers. We would recommend that ADAP funds be authorized for this purpose and that your committee request the Bureau of Customs to provide to you information with respect to their requirements to accommodate the increasing volume of traffic that is moving internationally.

It is imperative that we, not only retain the concept of scheduling committees but, expand their use to solve immediate and growing congestion problems, until a more practical and functional answer is found. This examination must consider domestic and international requirements; scheduled and charter; shifting patterns of traffic; bilateral relationships; and new technology.

The U.S. Government, in conjunction with local authorities, must undertake a full examination of U.S. aviation needs with respect to airport and airway capacity. We must pursue the application of advanced technology and planning in order to provide needed relief through expansion of capacity.

The responsible government agencies, airports as well as airline users, should be enjoined to identify, initiate and develop programs properly phased to overcome these limitations at the earliest possible date.

EXCESS FACILITIES

I recognize there are some facilities at some airports that are under contracts to air carriers that are excess to their requirement. There are some facilities developed, paid for by the air carrier itself, which may be excess to its requirement based upon current operation, while other carriers are trying to find some limited amount of facility to operate from. Some might advocate reformation of the contract involving the facility of the carrier, who has excessive facilities, by Federal mandate. This, however, involves interference with private contracts and while in some instances, if there is no cooperation, it might be the only recourse, such should be considered as a last resort. I would favor the cooperative approach which has proved itself under the airline scheduling committee concept. Carriers can sublet counter space, baggage facilities, etc., if facilities are not efficiently utilized by the controlling carriers or such carriers can provide a service on a contract basis, such as, check-in, baggage handling, etc.

There are many ways to solve this problem. No carrier wants to sit with excessive space when he can earn money for the use of that space. Thus there is a motivation on the part of all concerned to try to work out these problems to the mutual satisfaction of all. The underlying pressure, if you will, to achieve a satisfactory result is that if it isn't done on a cooperative basis, it may be mandated by legislation. This was the motivating factor in the Scheduling Committees' being so successful, as it was recognized that if the industry didn't solve its problems itself, the FAA would allocate slots among the carriers; and no one wanted this result.

CONCLUSION

Mr. Chairman, I believe we have outlined generally our views and in sum:

(1) We support the theory that all certificated carriers have the right to utilize facilities at an airport on an equal basis with *all* other carriers.

(2) We believe the best way to achieve this is through the cooperative route rather than through legislative mandate at this time.

(3) We believe that the cooperative route, through utilizing a scheduling committee approach will aid in achieving equal access.

(4) We would hope, however, that you will give consideration to the amendments we have proposed.

Mr. Chairman, this concludes my prepared statement. I will be pleased to answer any questions.

Mr. **Anderson**. Please proceed.

TESTIMONY OF ED DRISCOLL, PRESIDENT, NATIONAL AIR CARRIER ASSOCIATION

Mr. **Driscoll**. I have with me Ed Dingivan, vice president of NACA.

I will just summarize the statement.

We are pleased to have the opportunity to present these views in connection with H.R. 6721. There is a need for the Airport and Airway Improvement Act of 1980. We support it.

We have two amendments we recommend: They are both to section 10 and briefly pertain to the right of air carriers at airports.

The first amendment is to section 10(A)(1) and would make it clear that an air carrier has the right to serve itself at an airport or to use any fixed base operator that is authorized or permitted by the airport to provide service to the air carriers.

The second is to Section 10(A)(2) and we propose an amendment which would clearly state that air carriers have the freedom of choice between or among fixed base operators authorized to provide service at airports.

We believe these amendments are in line with the intention of section 10 and trust you will give them favorable consideration.

I would like to address the access to airports question.

The carriers that I represent are uniquely sensitive to access to airports and discrimination, since we were discriminated against until the act of 1970 was amended in 1976.

The amendments provided for nondiscriminatory treatment and since then most airports have cooperated in according equal treatment.

Access to airports, however, involves many different factors. First, capacity of the airport, operational facilities, to accommodate high density traffic; two, availability of adequate provisions to accommodate aircraft in a timely manner; three, adequacy of customs and immigration facilities to handle international flights at international airports; four, adequacy and capacity of terminal facilities to provide necessary ticketing, check in and baggage handling facilities.

We believe that the airlines' scheduling committee approach which has been in effect since 1968 and has covered about the four basic airports in the country: JFK, LaGuardia, Washington National, and O'Hare, needs to be expended, and needs to be continued as a method of insuring equal access to airports, and the facilities at airports by all potential users.

The Board needs to continue the antitrust immunity which is now existent on those committees for those four airports.

When I say it needs to be expended, it needs to be expended to other areas. It needs to include the allocation of customs facilities. As we see it, the airports, air carriers, the Federal Government—the FAA—the CAB, have an equal responsibility toward trying to make sure that access to airports is achieved and recognizing that there are limitations at airports to make maximum use of those limited facilities.

But this is not to take precedence over trying to expand those facilities and to provide increased capacity to satisfy actual needs.

We do not believe that there is a need at this point in time for a Federal mandate to reform contracts at airports to recapture excess facilities that a carrier may have under contract.

We believe that a cooperative approach can facilitate access by all potential users and allocate limited capacity among users on a give and take basis to insure equal treatment.

Mr. Chairman, in conclusion, we support the theory that all certificated carriers have a right to utilize facilities at an airport on an equal basis with all other carriers.

We believe the best way to achieve this is through the cooperative route rather than through legislative mandate.

We believe that the cooperative route, through utilization of a system such as a scheduling committee, will aid in achieving equal access.

We hope, in conclusion, that you will give favorable consideration to the amendment we propose.

That summarizes my testimony.

Both Mr. Dingivan and I are prepared to answer any questions you may have.

Mr. ANDERSON. Thank you.

In your prepared statement, you propose new language for our bill regarding nondiscrimination. Specifically, you would propose an addition that would allow a carrier to contract with any FBO at the airport or provide its own maintenance services.

What particular problems have your carriers faced in this area? What is the advantage to an airport operator of requiring your carrier to use a particular FBO?

Mr. DRISCOLL. Sir, I can give you an example. I think the most glaring—let's take a Federal example.

The FAA for years at Dulles, said we were not entitled to service ourselves. We were allocated with general aviation and the only intent of that was to assign us to a Federal base operator.

Specifically, to answer your question, what was the purpose, it was to insure that revenues flowed into fixed base operator's hands so it could maintain its facilities.

We, the air carriers, were allocated to general aviation. We have overcome that one but that is a glaring example. But only after a year and a half of petitioning the Federal Government to relieve us, almost to the point of filing suit. We finally got the Secretary of Transportation to overturn the whole thing.

We have had the same problems at other airports. At one airport today in Michigan there are three fixed base operators. Two are higher cost than the third. We are relegated to using the two higher cost operators while one other carrier is permitted to utilize the third at lower expense—we are in litigation on that.

I can go on and on to cite examples.

We feel that after the amendment in 1976 most all of the airports have cooperated with us. We have fine relationships. They have given us tenant status. Only a month after the bill was enacted, airports accorded us tenant status.

We are now saying, go one step further and allow us, if we want, at an airport to service ourselves or have freedom of choice of any fixed base operator and not relegated to a particular one when another carrier is not required to use that particular one.

Mr. ANDERSON. You endorse the scheduling committee concept for allocating saying no carriers have been denied access under it.

It is my understanding that an Allegheny commutter serving the Washington National-West Virginia market was denied access to National and was forced to use BWI.

It seems to me given the growth of commuter operations, that this will be a continuing problem. How you would go about letting commuters obtain access where they have had none before?

Mr. DRISCOLL. I cannot address Washington National.

I can address JFK, LaGuardia, O'Hare. I think all requirements have been satisfied. At O'Hare specifically, new air carriers have been given slots and are accommodated.

We know this is a growing problem because commuter activities are increasing very substantially. We operate a facility at O'Hare. We are working with the airport since we are putting up a new baggage conveyor system and they have asked us to handle the commuters. And we are going to.

They tell me that their commuter flights will increase threefold within the next 3 to 6 months.

So, there are going to be problems, but if you do not have somebody trying to solve it, and a responsive committee, you are not going to get as many flights in.

The other thing is that through the committee's approach and a Government agency that tries to increase the capacity of an airport to accommodate more flights, I think that can solve some of the problems.

It is not a panacea but it will help.

Without it, you will be worse off.

Mr. ANDERSON. If a bidding system was introduced to allocate slots at congested airports, do you believe that the carriers your organization represents would be at a disadvantage in the bidding procedure?

Mr. DRISCOLL. Let me say this, sir.

I think any carrier, including mine, would be in a disadvantaged position under any bidding procedure. Take the largest carriers, if you want, that have the greatest amount of money, they might be able to buy the slots.

Under the proposal that was made by the California contractor, Poly Normics, they could then resell them. We don't think the auctioning system or the bidding system will really work. I don't think that many of the air carriers whose comments I have seen think it will work, whether it be my group or somebody else's group.

I think most feel that that system would be more discriminatory than any system you could think of. If you are going to look at alternate systems, what we told the Bureau of Customs that was denied use of a scheduling committee by Civil Aeronautics Board, if you are going to use anything, use a lottery, if you cannot use the scheduling committee.

We prefer the scheduling committee. At least, everybody has an equal chance under a lottery. Under a bidding system it is the ability to pay.

Mr. ANDERSON. Some of your carriers have begun operating scheduled service. Have any of them had problems leasing gates and counter space for their new services?

For example, how has this been handled for World's Trans-Continental service?

Mr. DRISCOLL. World Trans-Continental service is being handled as West Imperial and that is the facility they desire. They were offered other space at Los Angeles Airport. They also chose Newark, and it is my understanding that the New York Port Authority has cooperated with them fully. And they are also using Baltimore International.

Baltimore International has cooperated fully. I think they have had very satisfactory experience to date, that I know of.

Trans-America is operating scheduled and charter service out of JFK to Ireland and Amsterdam. The facility at JFK is a fine facility, but they may need expanded space, and they are working with the airport and other air carriers for some expanded facilities.

I think it has basically worked satisfactorily.

Mr. ANDERSON. Did you have any trouble getting into Midway?

Mr. DRISCOLL. We do not operate into Midway, sir.

Mr. FARY. We have room there.

Mr. DRISCOLL. Our airplanes are too big.

Mr. ANDERSON. Thank you very much.

Our next witness will be a panel consisting of Mr. William Cox, Mr. Jack O'Reagan, and Mr. Lawrence McCabe.

We have your prepared statements which will be included in the record.

[The statements of Mr. Cox and Mr. McCabe follow:]

STATEMENT OF THE AMERICAN ROAD AND TRANSPORTATION BUILDERS ASSOCIATION, PRESENTED BY LAWRENCE E. MCCABE, CHAIRMAN, ARTBA AIRPORTS ADVISORY COUNCIL AND ASSISTANT COMMISSIONER, AERONAUTICS DIVISION, MINNESOTA DEPARTMENT OF TRANSPORTATION

Mr. Chairman and Members of the Committee, my name is Lawrence E. McCabe and I am the Assistant Commissioner for Aeronautics for the Minnesota Department of Transportation. I head up the Aviation Department.

We are pleased to see the provisions of H.R. 6721 include many of the positions recommended by ARTBA. We are solidly in support of the bill. It is a bill which builds on the foundation of the experience we have had with the Airport Development Aid Program. ADAP has worked well. We are pleased to note that the basic structure of the program is maintained in the legislation before this Subcommittee.

The funding levels provided in the bill are reasonable, considering both the necessity of meeting overall Federal funding constraints and the capability of the Airports and Airways Trust Fund. Yet, the funding provided will not meet the demonstrated needs. On the other hand, it is a level of funding which takes into account the rising costs of airport development.

In that connection, I would like to cite an example of the fiscal problems faced by airport operators throughout the nation. In March, 1977, an Airport Master Plan was completed for the city of St. James, Minnesota, calling for the development of a new airport because of the restricted development potential at the site of the present airport. A preapplication for Federal assistance was submitted in April, 1978, for a project with a total estimated cost of $1,482,000. At today's prices—approximately two years later—this project would cost $2,349,000, an increase of 58 and one-half percent.

We were not able to include this $1.4 million project in the 1978 or 1979 work program. By September, 1979, we had prepared a revised preapplication, eliminating one runway and a taxiway. The estimated cost of the revised project was $1.7 million. In other words, the scaled down project would cost more than the project as originally submitted. In December, 1979, the preapplication was again revised to reduce the total estimated cost to $1,673,000.

I cite these details simply as a means of showing how difficult it is to keep costs down within budgetary limits. The example cited is not unusual.

We are particularly pleased with the provisions of Section 5 of H.R. 6721, providing for authorizations on a cumulative basis through the life of the bill. The ability to carry funds over from one year to the next is important in maintaining a continuing program.

We continue to believe that ADAP is a program in which the Federal, state and local governments should all play an active role. It is a disappointment to us that the state role is somewhat diminished in H.R. 6721. In this respect, we prefer the Administration bill, H.R. 3745.

A majority of the states have now organized departments of transportation with responsibilities encompassing a variety of modal interests. This is, we believe, a valuable development in the practical management of "total transportation." Aviation has an important place in the transportation system, as viewed by state governments. Federal legislation should be written to take advantage of state capabilities.

The Departments of Transportation of at least 20 states are presently capable of taking over the job of administering the complete ADAP program within those states. The field forces of the Federal Aviation Administration could be substantially reduced through this transfer. Let me add Mr. Chairman, that the FAA concurs in this position.

In this period of rising costs, it is important to provide a measure of flexibility for airport administrators so that projects can move ahead when funding is available. We would like to see some transferability built into the program at the state level so that Federal funding made available for one airport could be transferred temporarily to another airport in the same state. The consent of the "lending" airport should be a requirement, of course.

Further flexibility could be provided with the adoption of an amendment originating from the North Carolina Department of Transportation. Mr. Chairman, I understand this was mentioned yesterday. We understand that the amendment will be offered to the Subcommittee at the appropriate time.

The amendment would provide for the allocation to the states of a limited amount of money from the trust fund for the development of state airport systems. Projects developed by the states under this program would be supported with Federal matching on a 50-50 basis, with a ceiling of $5 million on the Federal share payable in any one state. Such funds wóuld be used for eligible projects included in the State Airports System Plan. However, these funds could not be used to increase the Federal funding in any project beyond the maximum percentage permissable in ADAP.

This amendment would improve the coordination between state and Federal programs and would enable the states to fill program gaps in a timely manner.

Under existing law, the Federal Aviation Administration is responsible for the preparation of Environmental Impact Statement for ADAP projects.

By contrast, the Environmental Impact Statements prepared for Federal-aid highway projects are the responsibility of the state highway or transportation department.

The system used for the highway program works better. By placing the responsibility and authority at the lowest practicable level, priority projects are given priority attention and the effort is conducted by responsible officials who are familiar with local problems.

Because of the delegation of authority that exists in the highway program, state departments of transportation have developed expertise in the preparation of Environmental Impact Statements and employ specialists in that field.

It would be useful to permit such delegation for airport Environmental Impact Statements, where the state or the local sponsor is willing to undertake the work.

This delegation could be broadened to cover other activities where state or local governments have the capability of doing work now done by Federal employees.

H.R. 6721 establishes the Federal share of ADAP projects at 90 percent of allowable project costs. "Up to 90 percent" we think would be better. It should be permissible to spread a fixed amount of Federal assistance over a larger number of projects.

Trust-funded programs involving multi-year commitments are funded most efficiently through contract authority. The apportionment of ADAP funds should carry with it the authority for state and local airport sponsors to submit projects for approval by the Federal Aviation Administration prior to the appropriation of funds.

Again, the highway program serves as a useful example. This program operates under contract authority, which gives the states the opportunity to develop annual work programs on the basis of the apportionment of funds. The administrative procedures established by the Federal Highway Administration provide the necessary degree of Federal control, and FHWA is responsible to the appropriations committees of Congress.

I have read the Subcommittee's notice expressing interest in receiving testimony on airport access issues. ARTBA has taken no positions on this subject and we have therefore not covered it in this testimony. As an airport administrator, I have some personal views and will be happy to respond to questions on this topic as well as the points covered in the prepared testimony.

We very much appreciate this opportunity to express our support for H.R. 6721.

STATEMENT OF WILLIAM E. COX, PRESIDENT, AIRPORT CONSULTANTS COUNCIL, INC.

Mr. Chairman, members of the committee, my name is Bill Cox, president of the Airport Consultants Council, Inc. With me is Mr. Jake O'Reagan, vice president of our organization and Mr. Joel Crenshaw, chairman of our legislative committee.

We are delighted to appear before you today on behalf of the council to offer our views on certain aspects of the new proposals for modifying the airport development aid program. Our member firms have been deeply involved in the planning and development of the Nation's public airport system since the earliest years of the original Federal airport aid program. Our member firms represent a significant portion of the airport and aviation expertise available in the United States today. We have been engaged by airport sponsors representing all sizes and types of airports to provide needed expertise in the planning, design, construction, and financing of almost every project that has been eligible for ADAP funding since that program began in 1970. Our clients are our clients in all 50 States, totaling more than 3,000 airport managements and administrations, who have employed our architectural, engineering, planning, environmental, and financial skills to assist them in developing the airport facilities they need in the most cost-effective and efficient manner possible.

H.R. 6721 obviously takes cognizance of the fundamental changes that have occurred within the aviation community since the last legislative debates on ADAP, stemming in large part from passage of the Airline Deregulation Act. Other significant changes involve the increasing level of sponsor maturity with the program, the need to conserve energy resources, the very high annual rate of construction cost increases, and the need to devote a greater effort to the planning and development of reliever facilities in metropolitan areas to further maximize the effective utilization of our existing airport system upon which the Nation will basically depend for the foreseeable future.

The ADAP funding levels in H.R. 6721 are, in our view, bare minimums. The 7 percent annual increases, while sound in principle, are probably half or less of what they need to be just to keep even with rising costs of construction. If the last five years are a harbinger of the next five years, we can look forward to construction cost increases of 15 to 20 percent per year. If we assume the best case, 15 percent per year cost increases, and start with ADAP of $875 million in fiscal year 1981, then the following funding levels in subsequent years would be needed just to keep even with what would have been accomplished in fiscal year 1981: Fiscal year 1982,

$1.006 billion; fiscal year 1983, $1.157 billion; fiscal year 1984, $1.330 billion; and fiscal year 1985, $1.530 billion.

Through fiscal year 1985 $5.898 billion will be needed to keep even with cost increases even at the 15 percent per year level. H.R. 6721 will leave us almost $1 billion short of keeping even if cost increases are even at the "low" 15 percent level.

We strongly recommend that the level of ADAP funds be increased for fiscal year 1982–85 at 15 percent per year over the fiscal year 1981 base of $8.875 million.

We would also like to emphasize that, as ADAP is a program funded by special taxes, and, as the "trust" fund where these tax funds accumulate is expected to be $3.25 billion in surplus (unobligated) at the beginning of fiscal year 1981, we can see no reason whatsoever to subject this program to the budget-cutting fever which seems to be sweeping the administration and the Congress. To subject this program to budget cuts following the lines of reasoning now being cited—as an inflation fighting mechanism—would be irrational in our view and would, indeed break the faith with the mutual understanding between the Congress and the aviation community that brought forth the constituency for this program in the first place. A rational, sound ADAP program cannot result if its funding levels are to remain the toy of OMB or are to be subject to the slightest shifts in the political definition of fiscal prudence.

We believe H.R. 6721 is basically sound legislation but we would add yet another $200,000 to the minimum under entitlements making the minimum $400,000 rather than $200,000. The lesser amount, regretably, won't buy much anymore.

The Senate proposal to drop the large and medium hub airports from the ADAP program beginning in fiscal year 1982 strikes us as conceptually immaculate as long as those airports gain access to other revenue sources. There is little doubt that most of these airports can become self-sustaining given the time to do so, and particularly those which have adopted new ratesetting mechanisms to accomplish that objective in full accordance with the original ADAP statute.

But the transition to self-supporting status is much easier said than done and we recommend that the legislation provide for a safe transition period and otherwise assure that airports are free to impose charges necessary for self-support. If certain airports are forced out of the ADAP, there could well be significant lags in needed development. It is well-known that airlines don't much like to start funding new development when they are having hard financial times. Anyone who says the transition from ADAP to self-support is a simple matter just is not familiar with the realities.

One of the several results flowing from deregulation has clearly been the very sharp increases in carrier operations at many of the larger airports. To accommodate this increased activity, most of these airports are expanding their landside facilities as rapidly as possible, within the constraints of their own financial capabilities. Construction plans and budget which may have seemed more than adequate only 1 year ago are often inadequate today.

Whatever level of funds are finally authorized at the close of this debate, that same funding level should be appropriated by the responsible congressional committees. The failure to appropriate funds at authorized levels has been a major failing of the current program. We should also like to note that a number of Members of the Congress participated in the activities of the National Transportation Policy Study Commission, whose final report issued last June concluded that in a medium-growth scenario, airport capital investment and land requirements for the period 1981–85, including structures, equipment and land, would need $6.9 billion to fulfill. We suspect even that estimate vastly underestimates the real need.

With regard to planning the airport system, it appears that there is a near unanimity of view that the planning grant program—PGP—should be folded into the ADAP and be funded as any other airport development project. We approve heartily of this. We have found in every proposal to improve the ADAP a renewed emphasis being placed upon the absolute necessity to undertake airport development only after the essential planning has been completed.

H.R. 6721 places a very high priority upon the need for not only initial planning but for continuous planning of the airport system at large and for individual airport development projects and environmental impacts in particular. Airport planning must be thoroughly integrated with total transportation system planning—a concept that has been urged by almost all serious transportation authorities in recent years, but which regrettably has been rarely implemented and often ignored in practice.

There exists a well-known tendency among certain aviation circles to subordinate planning to construction once a project has been approved. Although it may strike some as self-serving on our part, the council wishes to go on record—and on the basis of our members' long experience with airport development—as recommending

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that planning be made an absolute requirement to any airport development in the new ADAP legislation, and that a requirement be imposed on all airport sponsors that their master plans and their system plans satisfy at least minimally defined qualitative criteria before they proceed to actual construction.

We note that the bill includes programs through 1985 at the 7 percent annual increases in funding levels with the exception of the R&D program which will be authorized for 1981 only. Funds are ear-marked for air traffic control, navigation, weather and aviation medicine purposes. The one year funding is to insure an early review of the R&D program. We believe that considerable progress has been made in the design and construction of safe airport runways through the R&D program and suggest that this program be included in the 1981 programs and assessed in terms of both cost and benefits in the total review of the R&D program.

Whatever happens to the tax levels, it seems to us that the best way to erase the surplus in the trust fund is to spend the money for the purpose intended; development of the airport and airway system. The proposal for Federal sharing in projects of up to 90 percent is exactly consistent with this objective in our view. Also consistent is a generous single discretionary fund. Care must be taken, however, to assure that the discretionary fund cannot become a mechanism for withholding moneys just as any final legislation must also specifically assure that funds appropriated but not spent in any fiscal year get added to the following year's authorized and appropriated funding levels.

Mr. Chairman, we submit that it is incumbent upon the Federal Government to enact a post-1980 program that is generous in its intent to give our citizens the best airport and airway system possible, in the most efficient and direct way possible, with the least redtape possible. After all, it is my best recollection that the money we are talking about spending was collected from aviation users in the first place. We urge, finally, that the Congress make a final decision promptly so that we may avoid the kind of damage done by the legislative hiatus of 1975–76. We suggest, however, that the discretionary fund not be used for "usual" or "extraordinary" items such as was the case with Truman Airport in St. Thomas and the Hollywood-Burbank Airport purchase. A special fund should be established for such items so that nationwide development won't suffer in order to come to the aid of special situations.

Mr. **Anderson.** Proceed.

TESTIMONY OF A PANEL CONSISTING OF WILLIAM E. COX, EXECUTIVE VICE PRESIDENT, TALBERT, COX & ASSOCIATES, INC., CHARLOTTE, N.C. (PRESIDENT, AIRPORTS CONSULTANTS COUNCIL (ACC)), ACCOMPANIED BY JACK O'REAGAN, DIRECTOR, AIRPORT PROJECT DEVELOPMENT, HOWARD, NEEDLES, TAMMEN & BERGENDOFF, WASHINGTON, D.C., (VICE PRESIDENT, ACC); AND LAWRENCE E. McCABE, COMMISSIONER, AERONAUTICS DIVISION, DEPARTMENT OF TRANSPORTATION, STATE OF MINNESOTA (CHAIRMAN, AIRPORT ADVISORY COMMITTEE, AMERICAN ROADS & TRANSPORTATION BUILDERS ASSOCIATION (ARTBA))

Mr. Cox. My name is Bill Cox.

I am president of Airports Consultants Council, Inc.

With me is Jack O'Reagan, vice president of our organization.

Mr. Crenshaw, who is on the agenda today, is not present.

We are delighted to appear before you today on behalf of the council to offer our views on certain aspects of the new proposals for modifying the airport development aid program. Our member firms have been deeply involved in the planning and development of the nation's public airport system since the earliest years of the original Federal airport aid program. Our member firms represent a significant portion of the airport and aviation expertise available in the United States today. We have been engaged by airport sponsors representing all sizes and types of airports to provide needed expertise in the planning, design, construction, and financing of almost every project that has been eligible for ADAP funding since that program began in 1970. Our clients are in all 50 States, totaling more than 3,000 airport managements and administrations, who have employed our architectural, engineering, planning, environmental, and financial skills to assist them in developing the airport facilities they need in the most cost-effective and efficient manner possible.

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But the transition to self-supporting status is much easier said than done and we recommend that the legislation provide for a safe transition period and otherwise assure that airports are free to impose charges necessary for self-support. If certain airports are forced out of the ADAP, there could well be significant lags in needed development. It is well known that airlines don't much like to start funding new development when they are having hard financial times. Anyone who says the transition from ADAP to self-support is a simple matter just is not familiar with the realities.

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There exists a well-known tendency among certain aviation circles to subordinate planning to construction once a project has been approved. Although it may strike some as self-serving on our part, the council wishes to go on record—and on the basis of our members' long experience with airport development—as recommending that planning be made an absolute requirement to any airport development in the new ADAP legislation, and that a requirement be imposed on all airport sponsors that their master plans and their system plans satisfy at least minimally defined qualitative criteria before they proceed to actual construction.

We note that the bill includes programs through 1985 at the 7 percent annual increases in funding levels with the exception of the R. & D. program which will be authorized for 1981 only. Funds are earmarked for air traffic control, navigation, weather, and aviation medicine purposes. The 1 year funding is to insure an early review of the R. & D. program. We believe that considerable progress has been made in the design and construction of safe airport runways through the R. & D. program and suggest that this program be included in the 1981 programs and assessed in terms of both cost and benefits in the total review of the R. & D. program.

Whatever happens to the tax levels, it seems to us that the best way to erase the surplus in the trust fund is to spend the money for the purpose intended; development of the airport and airway system. The proposal for Federal sharing in projects of up to 90 percent is exactly consistent with this objective in our view. Also consistent is a generous single discretionary fund. Care must be taken, however, to assure that the discretionary fund cannot become a mechanism for withholding moneys just as any final legislation must also specifically assure that funds appropriated but not spent in any fiscal year get added to the following year's authorized and appropriated funding levels.

Mr. Chairman, we submit that it is incumbent upon the Federal Government to enact a post-1980 program that is generous in its intent to give our citizens the best airport and airway system possible, in the most efficient and direct way possible, with the least redtape possible. After all, it is my best recollection that the money we are talking about spending was collected from aviation users in the first place. We urge, finally, that the Congress make a final decision promptly so that we may avoid the kind of damage done by the legislative hiatus of 1975–76. We suggest, however, that the discretionary fund not be used for "unusual" or "extraordinary" items such as was the case with Truman Airport in St. Thomas and the Hollywood-Burbank Airport purchase. A special fund should be established for such items so that nationwide development won't suffer in order to come to the aid of special situations.

Mr. Chairman, we submit that it is incumbent upon the Federal Government to enact a post-1980 program that is generous in its intent to give our citizens the best airport and airway system possible in the most efficient and direct way possible, with the least redtape possible.

We urge finally that Congress make a decision promptly so we may avoid the kind of damage done by the legislative hiatus of 1975–76.

We note that the committee would also like to receive testimony on the airport access program. The airports consultants council has not taken a position on this subject and, therefore, it is not covered in our remarks today. We have just today been made aware of the proposed State airport system development plan which we understand will be submitted as an amendment to the ADAP bill.

We have not had an opportunity to survey our membership regarding this program.

However, we personally support the program and believe that our members will also.

We thank you for this opportunity to appear before you today to express our views on the Airport and Airway Improvement Act of 1980.

Thank you very much.

Mr. **Anderson.** Mr. McCabe, you have a statement?

Mr. **McCabe.** My name is Lawrence E. McCabe and I am the assistant commissioner for aeronautics for the Minnesota Department of Transportation. I head up the aviation department.

We are pleased to see the provisions of H.R. 6721 include many of the positions recommended by ARTBA. We are solidly in support of the bill. It is a bill which builds on the foundation of the experience we have had with the airport development aid program. ADAP has worked well. We are pleased to note that the basic structure of the program is maintained in the legislation before this subcommittee.

The funding levels provided in the bill are reasonable, considering both the necessity of meeting overall Federal funding constraints and the capability of the airports and airways trust fund. Yet, the funding provided will not meet the demonstrated needs. On the other hand, it is a level of funding which takes into account the rising costs of airport development.

In that connection, I would like to cite an example of the fiscal problems faced by airport operators throughout the Nation. In March 1977, an airport master plan was completed for the city of St. James, Minn., calling for the development of a new airport because of the restricted development potential at the site of the present airport. A preapplication for Federal assistance was submitted in April 1978, for a project with a total estimated cost of $1,482,000. At today's prices—approximately 2 years later—this project would cost $2,349,000, an increase of 58.5 percent.

We were not able to include this $1.4 million project in the 1978 or 1979 work program. By September 1979, we had prepared a revised preapplication, eliminating one runway and a taxiway. The estimated cost of the revised project was $1.7 million. In other words, the scaled down project would cost more than the project as originally submitted. In December 1979, the preapplication was again revised to reduce the total estimated cost to $1,673,000.

I cite these details simply as a means of showing how difficult it is to keep costs down within budgetary limits. The example cited is not unusual.

We are particularly pleased with the provisions of section 5 of H.R. 6721, providing for authorization on a cumulative basis through the life of the bill. The ability to carry funds over from one year to the next is important in maintaining a continuing program.

We continue to believe that ADAP is a program in which the Federal, State, and local governments should all play an active role. It is a disappointment to us that the State role is somewhat diminished in H.R. 6721. In this respect, we prefer the administration bill, H.R. 3745.

A majority of the States have now organized departments of transportation with responsibilities encompassing a variety of modal interests. This is, we believe, a valuable development in the practical management of "total transportation." Aviation has an important place in the transportation system as viewed by State governments. Federal legislation should be written to take advantage of State capabilities.

The Departments of Transportation of at least 20 States are presently capable of taking over the job of administering the complete ADAP program within those States. The field forces of the Federal Aviation Administration could be substantially reduced through this transfer. Let me add, Mr. Chairman, that the FAA concurs in this position.

In this period of rising costs, it is important to provide a measure of flexibility for airport administrators so that projects can move ahead when funding is available. We would like to see some transferability built into the program at the State level so that Federal funding made available for one airport could be transferred temporarily to another airport in the same State. The consent of the lending airport should be a requirement, of course.

Further flexibility could be provided with the adoption of an amendment originating from the North Carolina Department of Transportation. Mr. Chairman, I understand this was mentioned yesterday. We understand that the amendment will be offered to the subcommittee at the appropriate time.

The amendment would provide for the allocation to the States of a limited amount of money from the trust fund for the development of State airport systems. Projects developed by the States under this program would be supported with Federal matching on a 50-50 basis, with a ceiling of $5 million on the Federal share payable in any one State. Such funds would be used for eligible projects included in the State airports system plan. However, these funds could not be used to increase the Federal funding in any project beyond the maximum percentage permissible in ADAP.

This amendment would improve the coordination between State and Federal programs and would enable the States to fill program gaps in a timely manner.

Under existing law, the Federal Aviation Administration is responsible for the preparation of environmental impact statement for ADAP projects.

By contrast, the environmental impact statements prepared for Federal-aid highway projects are the responsibility of the State highway or transportation department.

The system used for the highway program works better. By placing the responsibility and authority at the lowest practicable level, priority projects are given priority attention and the effort is conducted by responsible officials who are familiar with local problems.

Because of the delegation of authority that exists in the highway program, State departments of transportation have developed expertise in the preparation of environmental impact statements and employ specialists in that field.

It would be useful to permit such delegation for airport environmental impact statements, where the State or the local sponsor is willing to undertake the work.

This delegation could be broadened to cover other activities where State or local governments have the capability of doing work now done by Federal employees.

H.R. 6721 establishes the Federal share of ADAP project, at 90 percent of allowable project costs. "Up to 90 percent" we think would be better. It should be permissible to spread a fixed amount of Federal assistance over a larger number of projects.

Trust-funded programs involving multiyear commitments are funded most efficiently through contract authority. The apportionment of ADAP funds should carry with it the authority for State and local airport sponsors to submit projects for approval by the Federal Aviation Administration prior to the appropriation of funds.

Again, the highway program serves as a useful example. This program operates under contract authority, which gives the States the opportunity to develop annual work programs on the basis of the apportionment of funds. The administrative procedures established by the Federal Highway Administration provide the necessary degree of Federal control, and FHWA is responsible to the appropriations committees of Congress.

I have read the subcommittee's notice expressing interest in receiving testimony on airport access issues. ARTBA has taken no positions on this subject and we have therefore not covered it in this testimony. As an airport administrator, I have some personal views and will be happy to respond to questions on this topic as well as the points covered in the prepared testimony.

We very much appreciate this opportunity to express our support for H.R. 6721.

Mr. **Anderson**. Mr. Cox, in your testimony you suggest that the 7 percent annual increase in ADAP will not be enough, and that we need 15 percent annual increases in order to keep pace with inflation.

Would not your proposal contribute to inflation by spending levels based on assumption of continued high inflation?

Mr. Cox. If we use the past 5 years as a basis for that, sir, we are really only producing the same amount each year, as a finished airport improvement that would be in place.

It is difficult for me to see that by achieving the same goal next year that we were trying to achieve this year, if it costs 15 percent more that in itself is not producing inflation.

But that is responding to the cost increases that are a fact of life, that we must all deal with.

Mr. **Anderson**. Have you considered the effects of your recommendation of 15 percent annual increases on our ability to reduce the trust fund taxes?

Mr. Cox. Would you repeat that?

Mr. ANDERSON. Have you considered the effects of your recommendation of 15 percent annual increases on our ability to reduce the trust fund taxes?

Mr. Cox. Our view would be that the trust fund taxes—it would be quite premature to reduce it. There is tremendous need in the airport development field, a tremendous amount of airport improvements, that need to be done. Our member firms operate pretty much at a grass roots level. We deal with the very smallest airports up to the very largest.

I think we are all aware of the $1 billion backlog that FAA says they have in current requests. I think that we are all aware of many times that much that have never even gotten to FAA in the form of a request of air support development that is needed in this country.

So our view would be that it would be quite premature to reduce the total funding capabilities of the program.

Mr. ANDERSON. Mr. Cox, in your testimony you recommended that if the large and medium airports are taken out of the ADAP program, they should be allowed to impose charges necessary for self-support.

Are you talking about a so-called head tax?

If so, would you put any restriction on the amount, or on the manner in which it can be collected?

Mr. Cox. Our recent testimony, Mr. Chairman, does address that particular point. Our council does not have a position on the defederalization.

Testimony that we have heard today from the people who are directly involved in the operation of airports seems to be unanimously in opposition to it.

But we have completely omitted any reference to that and feel that it is inappropriate for us as an organization of airport consultants to presume—to take a position on that subject.

Mr. ANDERSON. Mr. Cox, in your testimony you state that apart from revenue problems, defederalization strikes you as conceptually immaculate. One aspect of defederalization is the Federal Government would be taken out of decisions on the priorities for airport development and the decisions would be left to the airports themselves or to negotiations between the airports and the airlines serving it.

Do you think that taking the Federal Government out of the picture will lead to different decisions on airport development and, if so, would this improve the development of a national airport system?

Mr. O'REAGAN. Yes, sir.

By taking the Federal Government out of the so-called 72 airports by defederalization would, in our view, bring about differing degrees of airport development.

We would envision that the first 15 or 26, perhaps, of the large hub airports would not have as big a problem as the remaining 50 airports that would be defederalized. I can cite specific examples, if you would like.

Mr. **Anderson**. Mr. McCabe, does your association have any position on the Senate proposal that you remove large and medium hub airports from eligibility for ADAP?

Mr. **McCabe**. Our position, Mr. Chairman, would be that it should be on a voluntary basis.

Mr. **Anderson**. You mean defederalization. How do you do that?

Mr. **McCabe**. Those that want to remain in could remain in and those that want to get out could get out.

My understanding is that there are only half a dozen or less that are the ones that want to move out of the program. So let them move out.

Mr. **Anderson**. There would be no reduction of the tax. The package is a tax reduction to the airlines and the airports who in turn charge some various landing use charges to make up the difference.

Mr. **McCabe**. Also, Mr. Chairman, I think their idea of getting out would be to get out from under the restraint or strings that are attached to the various grant agreements they have signed over the years. They would like to be relieved of those responsibilities that have gone along with those grants.

Mr. **Anderson**. Mr. McCabe, in your testimony you support the proposal of the North Carolina Department of Transportation, that additional matching funds be made available for States which make money available for airport development. It seems to me that the effect of this proposal would be to make more money available to States in which there is State funding than would be available to States in which local governments were willing to put up the same amount of money.

In other words, under the proposal a State which funded airport development would be eligible for both the State apportionment and matching funds, while a State in which there was only local funding would only be eligible for the apportionment.

What is the justification of distinguishing between States on the basis of whether the source of the non-Federal money is the State or local government?

Mr. **McCabe**. Well, first of all, Mr. Chairman, when you talk about State apportionment, that does not go to the State, really. It is money that the communities can draw against based on the area and population. It does not come to the State, so to speak, per se, to where they dole out that money. It is sitting over here in that fund where the communities in the United States can draw against it.

So the State is not really administering that program as such. It is under the guidelines of the Federal requirements for any of the ADAP.

Second, I think that if this program were to be enacted into law, it would encourage the State to appropriate more State money to help offset the needs that we know are needed around the country.

In my own State, for example, I know that there is over $20 million worth of eligible general aviation requests that lie unfunded and over $25 million of air carrier serviced airports that are not funded.

Some of these needs could then be—we could attempt to take care of it with this additional money. I think it would encourage those States that do not have that kind of aid program, where they are putting capital improvement money into the airport development program. I think we could encourage them to get on with it.

Mr. **Anderson**. Mr. McCabe, in your testimony you support State administration of funds for general aviation airports. In opposition to this proposal it has been argued there may be national priorities for general aviation airports, such as the development of a reliever system, which may be different from the priorities of individual States.

If the States are in charge, the national priorities might not be followed. I would appreciate your response to this argument.

Mr. **McCabe**. Mr. Chairman, I support the taking over of the total ADAP program, not just the general aviation. By taking over the whole program—one of the gentlemen just testified there would not be any difference in regulations between air carrier approved airports and general aviation airports. It would all be the same criteria that would be set up guidelines by the FAA. The FAA would set up the guidelines that States would operate under. This would be a standard guideline that would be set up over the whole country.

Mr. **Anderson**. I might use the reference there would be 50 FAA's.

Mr. **McCabe**. There are 48 aviation agencies established in this country today. Of these 48, 20 have the capability of taking over the ADAP program tomorrow. The people that are testifying about the 50 FAA's, they are in place. They have been dealing with that everyday, but they do not realize it.

The one that testified about going to the regional administrator. I can see why his organization does not get anything done. He is going to the wrong place. The regional administrator does not take care of the problems in Minnesota or anyplace. He may go for air space problems or navigation problems in the Federal system, but if you are going to talk about problems in the airport, you come to the State director or that airport owner himself and talk to him about the problems, if you want to get something done in airports.

Mr. Chairman, we license and inspect all the airports in Minnesota. We have 141 problem airports, including air carrier airports. We work with the communities very closely in taking care of any problems. We are close to the problems. We are close to the needs. We can get the work done.

Mr. **Anderson**. Mr. Fary?

Mr. **Fary**. No questions.

Mr. **Anderson**. Mr. Hagedorn?

Mr. **Hagedorn**. Let me first compliment my fellow Minnesotan, Mr. McCabe. I think the last statement is the most fitting.

The agency has been administering for over a decade is one that works closely with the community and he is to be commended.

Commissioner, I did want to question you on your proposal that was to transfer the EIS authority to the State level as we do under our Federal highway system.

Your proposal is wise and I wonder if you would like to comment beyond what you have in your statement in support of that?

Mr. **McCabe**. Mr. Chairman, Mr. Hagedorn, our Great Lakes region, we have been working toward trying to get something like this done.

The Great Lakes region consists of six States. They have two people that handle the environmental statements that come from the six States and this is a bottleneck area.

We have proposed that the States—I will use my own State, for example. Forty-one environmentalists write the statements for FHWA. They prepare the statement at the local level. They work with consultants, with the communities and so on. They develop these things and it is passed on to FHWA. They sign off and they pass it on up the pipe into the Washington offices.

We have been trying to get the FAA to go along with a similar project to give them some people. They only have two people. They say they don't have the authority. This is an opinion of some legal counsel.

So we are saying this is hard for us to understand. If FHWA can do it, why not FAA? They are all under DOT.

Mr. HAGEDORN. We have two people in Chicago that oversee all the regions?

We have just two people?

Mr. McCABE. Two people. That is the only—those statements go across their desks. They prepare the statement and write it. Our people prepare the information for it.

These people who are four or five or six hundred miles away have to write an environmental impact statement without sometimes even seeing the sites for example.

Mr. HAGEDORN. Is that causing a bottleneck to occur there?

Mr. McCABE. Yes, it is.

Mr. HAGEDORN. I think we would be interested, for the purpose of the record, if you could submit, for example, the number of projects that might be being held up right now and could have been constructed had it not been for this because with 20 percent annual inflation and going higher, these costs are rapidly exceeding the ability of the airport trust fund to support this, and that airport you mentioned, St. James, happens to be in my district.

When you see an increase of nearly 60 percent in less than 2 years in order to provide that county with good airport facilities, it is shocking.

Mr. McCABE. The way this thing works, these two people, because there is a shortage of money, will only work on those projects that they anticipate will be funded in the next month or so.

Therefore, they are putting the rest of them aside. We have been encouraging them to work on all of them. If we had four or five projects on the shelf when extra money came along this would not be this hurry-scurry type of development. You would have a much better prepared statement and a better set of plans and specifications, better projects, if they are on the shelf, ready to go when the money became available.

Mr. HAGEDORN. I think it is an excellent suggestion, one I hope our committee will take a close look at, to see if we cannot incorporate the present staff in the present Department of Transportation in the various States.

Another point, Mr. McCabe, that we have talked about in the past is the fact that our airport runways are barely in a maintainable state, that they were built at the very minimal level of qualifications and that the need to repair these comes about at a very rapid rate.

In a sense, we do virtually have the capability to construct runways today that are virtually indestructible.

I wonder if you could comment on some examples in our State, Minnesota, where we have improved and yet within a decade or less where we have to go in and patch and resurface?

Do you have some comments, whether we should, for example, build to a higher standard than we are today?

Mr. McCabe. We have six or seven runways on air carrier served airports that are failing and some more than others. I am not saying they need to be shut down tomorrow, but there is failure on that, and within the next year or so we have to do something.

Take Rochester, Minn., as an example. It is a fair-sized airport and one of the leading medical centers in the United States. That airport was built about 15 years ago—17 years ago. The main runway was designed for Lockheed Electras. The airport is now handling Boeing 727's.

That runway started to fail. We took that runway out entirely and rebuilt it. It happened to be a flexible pavement. We put in a cement pavement with the design that was the best design at the time. That was 10 years ago.

Today, it is starting to fail again. Nobody has any real answers as to why it is failing.

But it is failing and we have to do something with that in this next year or two.

We have Duluth, the main runway at Duluth. That runway is not over 8 years old and it is our second main runway in the prevailing wind. It is failing. We have five or six other air carrier runways that are failing.

I suspect if we were to look close at our runways around the country, we would see a lot more failing. This is why we feel we need the additional money in ADAP program. This is the backbone of our transportation system in the country. I hate to see it shut down because the runways are failing.

Mr. Hagedorn. One of my pet peeves, and I would like to get your views if possible, what exactly is the impact of Davis-Bacon standards that are applied to all of our Federal construction projects, and how do you perceive it as it relates to projects you work with?

Is it contributing a significant cost to public construction?

Mr. Cox. I can testify as to specific projects that our firm has handled and I think from discussions with our group our member companies have found the same thing, that in many instances it does significantly increase the cost.

It is not a uniform type of thing. We never quite know what wage rates are going to be set forth for a particular project.

We are given the minimum rate that will be included in the project specifications. In some instances they seem to come in in a fairly uniform and prevailing level. In other instances they go quite high. They find that building rates, for example, for an electrician, would be used for an outside field electrician, which basically is totally different type of work.

This type of thing occurs frequently in the whole program.

The net effect of the decisions are to increase the cost of airport construction above what is usually the case in allowing the local wage rates to be used.

Mr. **Hagedorn**. Thank you.

Do you have any familiarity with that in Minnesota, Mr. Commissioner?

Mr. **McCabe**. Somewhat. I know the outside areas of the labor required by the Federal Government comes in quite a bit higher than the local prevailing rates. So the contractor has to jack up the rates and it kind of bothers us because a lot of the money that we are putting into that, which is above the local prevailing rate, could be put into navigational aids, grooving runways, safety items.

So if, somehow, this could be corrected and some of this money could be put into this area——

Mr. **Cox**. One further comment, we are aware of a situation where a contractor was doing four airport projects. There was a particular one and he does electrical work primarily. When he had this same man go to airport A, he paid him a certain rate. When he went on to airport B, he paid him another wage. When he went to airport C, he paid him another rate. So in a 2-week pay period he juggled the man's pay rate four different times to conform to the minimum standards.

Mr. **Hagedorn**. Then at the very least we are getting poor administration of the Davis-Bacon and how it is applied to the rural localities as compared to the urban localities and there is a foot-dragging attitude on the part of the Department of Labor and the administration.

I did not hear your answer.

Thank you.

Mr. **Anderson**. Thank you very much for a fine presentation. That concludes our hearing today. The next session is tomorrow morning at 9:30 a.m., downstairs in room 2167.

[Whereupon, the hearing was concluded at 4:55 p.m.]

AIRPORT AND AIRWAY DEVELOPMENT ACT OF 1980

THURSDAY, MARCH 27, 1980

House of Representatives,
Subcommittee on Aviation,
of the Committee on Public Works and Transportation,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:48 a.m., in room 2167, Rayburn House Office Building, Hon. Glenn M. Anderson, chairman of the subcommittee, presiding.

Mr. **Anderson**. The meeting of the subcommittee will come to order.

We are very pleased today to have the Chairman of the Civil Aeronautics Board, Mr. Cohen. We do have your statement, and it will be made a matter of the record. You can read it, extemporize, or proceed in any way you wish. Would you introduce your colleagues?

Mr. **Snyder**. Mr. Chairman, excuse me. I just wanted to explain to Mr. Cohen and the other witnesses that I am not going to be able to stay, and I did not want them to take any offense. We are beginning at 10:30, as Chairman Anderson knows, the markup of the omnibus maritime bill over in the Merchant Marine Subcommittee; I am ranking on that subcommittee. To give you some idea of the comprehensiveness of it, I would say it probably involves more to the maritime industry than the Deregulation Act did to the airline industry.

Mr. Chairman, I will have a series of questions not only for these witnesses, but for some other witnesses, and I would like to ask unanimous consent that if they are not asked by other members who may be here, that I be permitted to file those questions with the witnesses.

Mr. **Anderson**. Without objection, so ordered.

Mr. **Snyder**. More particularly, I want to ask Mr. Bond about his $57,000 study on the sizes and measurements of airline stewardesses and see if he needs any help. [Laughter.]

Mr. **Anderson**. Mr. Cohen?

TESTIMONY OF HON. MARVIN S. COHEN, CHAIRMAN, CIVIL AERONAUTICS BOARD, ACCOMPANIED BY MARY SCHUMAN, GENERAL COUNSEL, AND DAVID O'CONNOR, LEGAL OFFICES OF THE BUREAU OF DOMESTIC AVIATION

Mr. **Cohen**. Mr. Chairman, thank you. First, I would like to introduce our General Counsel, Mary Schuman, and the head of the legal offices of the Bureau of Domestic Aviation, David O'Connor, who have been working on this subject for some time.

Mr. Chairman, since my statement is rather short, I thought I would read it quickly and then make myself available for questions.

Many of our Nation's commercial airport owners and operators feel beseiged, and the number can only increase. State and local governments are telling them to reduce noise and cut back on aircraft operations. The Federal Government is telling them to join in the spirit of deregulation and make their facilities accessible to new entrants. And at least one court recently said that airport operators, not the State or Federal Governments, are liable for damages caused by noise at their airport. It is no wonder that airport operators are asking, what can they do to meet the conflicting demands of the courts, the States, and the Federal Government, and what does the Federal Government want.

The CAB recognizes that restrictions on aircraft operations at many airports are inevitable. Local airport proprietors may have to limit operations and impose curfews in order to reduce the level of noise affecting nearby residents. Some airports are becoming more congested as carriers exercise their new opportunities to enter markets where previous regulatory constraints had denied access. The Department of Transportation and the FAA may have to restrict hourly operations because demand for airport access is more than the airport can accommodate.

In an ideal world, airport capacity would always be sufficient to accommodate demand. However, we at the CAB recognize that operations may have to be restricted. Our concern is with the manner in which airport access and space are allocated among the airlines. We believe that airport operators must make their facilities available to carriers on reasonably competitive terms. To the extent airports need to impose restrictions on operations, they must do so in a nondiscriminatory manner.

The airport access issue is fast becoming a serious one. Not long ago, the San Francisco Airport proposed to apply stricter noise standards on new carriers than those applied to incumbents. San Diego Airport has imposed a condition on new entrants subjecting them to different curfew and noise standards. Critics argue that scheduling committees at four FAA-slotted airports do not allocate airport slots in a competitive and efficient manner. Indeed, recent experience with the scheduling committees suggests that they may fail to reach a resolution of slot allocations simply because of the demands of new entrants.

At many airports, all space is now let to carriers under long-term leases. Long-term leases held by incumbent carriers can keep new competitors out, even though space may actually be available. At one airport, and perhaps at others, new applicants for entry must find competitors or potential competitors who will agree to sublease previously leased terminal space before they can institute service. The incumbent's incentive to prevent competitors from finding airport space is obvious.

Mr. Chairman, just as a hypothetical on this particular subject, what if a major airline sought to provide significant new competition in a major route, like a transcontinental route, offering fares $100 or more below the existing coach level and they had only their direct competitor to deal with at the other end of the flight, and those competitors that they had to deal with had long-term leases and could control entry to that airport? That is the kind of problem that we are really seriously concerned about, and the potential losses to the consumers if that new competition offering really competitive fares is barred from entry because of long-term exclusive leases.

The present law, enacted as part of the 1938 regulatory scheme that established a controlled and predictable air carrier environment, did not envision the complex airport access problems that face us today. Section 308 of the Federal Aviation Act prohibits the grant of any exclusive right for the use of a landing or a navigation area upon which Federal funds have been expended. Section 18 of the Airport and Airways Development Act requires that the Secretary of Transportation receive assurances that airport operators who receive Federal assistance provide facilities at their airport for public use on fair and reasonable terms, without unjust discrimination.

We do not believe that current law is enough to do the job. The prohibition under section 308 against granting an "exclusive use" at an airport refers only to exclusive use of a landing or navigational area, not terminal space, including gate space and ticket counters. And to enforce this provision, the Secretary must persuade the Justice Department that a Federal lawsuit should be brought against the airport operator—a costly, lengthy process that may produce an uncertain result.

Similarly, the remedy against violations of ADAP grant assurances is to cut off funding for airport development—an unwieldly instrument for enforcing open access requirements. When funds are needed to repair a runway in order to enhance safety at an airport, cutting off these funds is an ineffective way to remedy violations of equal access requirements. It is no wonder that the Secretary rarely uses this authority.

We believe, Mr. Chairman, that the law should be amended, first, to state clearly and finally the duty of airport operators to make airports available on fair and reasonable terms, without unjust discrimination, and, second, to state the rights of private citizens to enforce these duties. The provisions in the administration's bill remedy the gaps in current law, and we urge the committee to adopt them.

First, the administration's bill declares as a statement of public policy that all airport and airway programs should be administered in a manner consistent with the provisions of sections 102 and 103 of the Federal Aviation Act, as amended by the Airline Deregulation Act, "with due regard for fostering competition, preventing unfair methods of competition in air transportation, and maintaining essential air transportation."

Second, the bill amends section 308 of the Federal Aviation Act to make it clear that "all airports on which Federal funds have been expended shall be available for public use on fair and reasonable terms and without unjust discrimination." The provision further provides that the owner or operator of each such airport "shall offer access to the airport facilities within a reasonable time and upon reasonably competitive terms to all persons engaged in air transportation who seek to use them."

Third, the administration's bill provides for the necessary enforcement of these provisions by the Secretary of Transportation and by aggrieved third parties. It gives airport users a private remedy against restrictive practices and permits enforcement that is not subject to the limited resources of the Office of the Secretary of Transportation.

Any person who is aggrieved by the failure of an airport owner or operator to comply with section 308 may file a complaint with the Secretary. If the Secretary does not investigate, the complainant may then bring an action for injunctive relief in the U.S. District Court.

If the Secretary does investigate, and finds a violation, the Secretary is directed to work with the airport to encourage voluntary action on the part of the airport to remedy the violation. If the Secretary is unable to secure voluntary action, he may take action necessary to remedy the violation, including the modification or termination of existing agreements, including leases.

These provisions strike the proper balance between the local interest in guaranteeing the local community the opportunity to resolve local problems at a community level and the national interest in assuring the continued development of a sound and procompetitive national air transportation system. The administration's bill invites local action by airports and carriers to modify anticompetitive and discriminatory practices, and reserves to the Federal Government the power to intervene only after local efforts have failed.

Finally, we support provisions that give the Secretary authority to restrict aircraft operations when necessary to insure the safety of aircraft or control congestion. This section does not specify how the Secretary should allocate the slots and does not require him to select any particular alternative. The allocation must be made on a reasonably fair and competitive basis.

One possibility we would urge the Secretary to consider is an auction similar to that recommended by a recent Polinomics Research Laboratories study. However, we are not wedded to this alternative, and we would encourage the Secretary to explore other methods.

That completes my statement on the matters of real concern to us here, Mr. Chairman. I will be happy to attempt to answer any questions you may have, sir.

Mr. ANDERSON. Thank you, Mr. Cohen.

On page 2 of your testimony, you state that airport access is fast becoming a serious problem. To date, I believe, there have only been a handful of cases where new carriers have been unable to get access to airports. Is my understanding correct, and do you expect the problem to get worse in the next few years?

Mr. COHEN. Mr. Chairman, yes, we do expect the problem to get worse, and your understanding is correct in terms of the numbers of airports. We had problems at San Diego with four carriers who have been attempting to gain access to San Diego for some months. At Orange County, four carriers are trying to gain access, and that airport has been tied up by two carriers for over 10 years by the exclusive use of those two carriers.

There have been problems in San Francisco. There was just the beginning of a problem at Salt Lake that was worked out quite quickly, I think.

Mr. ANDERSON. Are all the current problems, then, in California?

Mr. COHEN. I was about to say that with the degree of noise concern, particularly in California, that has exacerbated the problem there so that there are a number of airports up and down the coast at which we have had problems.

Of course, there are slot-controlled airports in the East. At National Airport, there have been a number of issues raised about access to National Airport from particular communities. LaGuardia, JFK, and O'Hare are also slotted airports, so that the access there is somewhat restricted. Denver is a very crowded airport, and the concern about access to Stapleton in Denver was one of the factors that gave us real concern when we considered the Continental-Western merger case.

Hartsfield has been quite crowded. Of course, they are opening new facilities there in Atlanta, and we have not seen any problems with exclusion of carriers in the Atlanta area.

We expect, from the combination of noise and congestion, and either ground-side congestion or air-side congestion, or both—and they are different—from the combination of these, we expect these problems to build; we have seen the beginnings of them. We would hate to try to come back and address this problem after it has proliferated around the country and after we have had too many experiences of mini-CAB's growing up all over the country with airports trying to control access on the basis of who is flying and where they are flying to. Nobody is doing that yet, Mr. Chairman.

For example, I was in the Bay Area last year meeting with planning people in the San Francisco region there. Some of the staff were starting to recommend that they plan airport use on the basis of reviewing the carrier's service proposal, where they were going to fly, and which carrier they preferred over another.

Those are all old Federal CAB functions, and the staff was proposing to the Board there that they do their whole airport development on the basis of turning themselves into a mini-CAB. I spent 2 hours there with them, with Phil Bakes, my general counsel then, talking to them about how that would violate Federal law and how we did not think they ought to do it because they would get into trouble.

But there is a lot of thinking along those lines out there, and what we would like to do is deal with the problem now before it proliferates all over the country.

Mr. ANDERSON. You state that current law is not enough to do the job of insuring access. However, it would seem to me that the threat of the FAA sanctions under current law have been enough to encourage the airports and the airlines to work out most of the problems of new entry. Does this not suggest that the current law is adequate?

Mr. COHEN. Mr. Chairman, I think it has had some real effect, of course. We are at the beginning of a new era in air transportation with more competition developing, as I have said. We are just seeing the beginnings of that in the past few months.

I am concerned that the existing law has cumbersome procedures which may or may not be effective. As I said in my statement here, if safety is being threatened and there are serious problems at an airport, it is doubtful that the Secretary of Transportation is going to pull back dollars in order to deal with access problems, because they are two different things.

It is very difficult for a public official to allow the lives of people to be endangered by pulling back money that could be used to improve the airport or develop navigational facilities, or do the various things that these Federal funds are designed to do, over an access issue. That is a very difficult decision to make.

What the administration is proposing and what we are supporting here is some extension; this is not a radical departure from what has been done in the past. This is a matter of making quite clear in the law what I think is intended, but what now, we think, is somewhat ambiguous, and that is that access must be made available on fair and nondiscriminatory terms, and, in essence, adding some sanctions that assure that people will work things out, making it quite clear that third parties can go into court without depending on the Secretary of Transportation in order to enforce this.

Now, they might be able to do that now, but it is somewhat ambiguous. It is not clear, and it is subject to all the uncertainties of what a court may or may not do because the law is not clear on it.

Most importantly, on this question of long-term leases, Mr. Chairman, the proposal of the administration sets up a process which gives the Secretary of Transportation an ultimate authority to step in if the local authorities have not been able to work out the difficulties. If the Secretary is not able to work it out, the Secretary is given an ultimate power to resolve this by, for instance, requiring an exclusive lessee to issue a sublease to a competitor.

That power is not there now in the law. The presence of that power, I am convinced, will assure that it is never used. By putting it in the law, that will be a great incentive to all the parties. It gives the airport operator additional leverage to deal with the carriers, and it gives the carriers a great incentive to work this out themselves.

I am concerned that without something there as an ultimate power or hammer in the back pocket, with adequate procedures for the local people to have plenty of time to work out the problems—without this ultimate power, their problems may not be worked out.

If you are a carrier sitting there with an exclusive lease on a building for 20 years with a route that is lucrative and that you treasure and somebody wants to come in and fly head-to-head against you and offer that service at $100 less than you are providing, if they come to you and want you to lease to them, there are a lot of incentives for you to find reasons why you should not make the lease.

There are scheduling difficulties and all kinds of things that can come up, and those can be worked out on the local level and be worked out with the airport operator, we think, if there is some ultimate power in the Secretary of Transportation to resolve it if they do not work it out.

Mr. ANDERSON. You mentioned nondiscriminatory procedures and limiting ambiguity, and you also mentioned Orange County. Orange County is well in excess of the capacity for which it was designed. It was designed, I believe, for roughly 300,000 enplanements, and they say it is now handling 1,300,000. Orange County is now trying to freeze the present level of 24 daily operations by Air California and 14 by Hughes Air West. While other air carriers, such as Frontier and Continental, would like to serve the airport.

Would the antidiscrimination legislation you recommend require that the new carriers be allowed to begin service at the airport, with the incumbents required to cut back service? If so, would this be fair to incumbents who have made substantial investments to provide their present levels of service?

Mr. COHEN. Mr. Chairman, as I understand the situation at Orange County, the airport was not built by either Air California or Hughes Air West, and that those two carriers have been there for some time and are there on relatively short-term leases.

Our general position on what should be done under the new law and what we think should probably be done under existing law at Orange County is that if the community has found that 38 operaions per day is the maximum that is to be allowed there because of the size of the facility, and if that does not unduly interfere with interstate commerce, then those 38 ought to be made available to the carriers who want to serve Orange County, and ought to be allocated among them as a scarce resource, and that can be done in a gradual process.

For instance, over a 1-year or 2-year period, a certain number of those could be made available for bidding, auctioning, some sort of lottery selection, or some sort of nondiscriminatory way of allocating this as a scarce resource among those carriers who want to serve Orange County.

We could, over a gradual period, phase in the operations that want to serve there, and allow some type of market mechanism, preferably, to decide what is in the public interest there rather than just going along with an exclusive opportunity to two carriers who have been there for 10 years or more and who are using a federally financed facility exclusively and blocking others. The other use might be more in the public interest, but we——

Mr. ANDERSON. So you are saying that the incumbents, in order to be nondiscriminatory, should give up their service to make way for new entrants?

Mr. COHEN. The incumbents should compete for that service along with others over a transition period, not abruptly.

Mr. ANDERSON. But the end result would be that they would have to give up service to new entrants, even though they had put in considerable investment. I have discussed this situation at Orange County, with their people and the air carriers.

L.A. is a funny place, since we have roughly 10 million people, scattered, all about, and there are a lot of them in the Orange County area. There is always a concern whether you are flying from Los Angeles to San Francisco or Salt Lake City, or whether you are flying from Orange County.

If you are going to fly from Orange County, the trip may be 40, 60, or 80 miles farther. There is a great deal of advertising regarding where you are flying from. I know that in the case of Air California, for example, they have spent a great deal of their money—not much, maybe, compared to a big airline, but it is a lot to them—to identify that they only fly from Orange County. They do not fly from Los Angeles.

If a party wanted to fly out of Los Angeles on Air California. They would say "No, you have to go over to Orange County to fly on Air California." They have made a specific point that they are the airline that flies from Orange County. Now, you are saying that if they are going to go out of that area, they are going to have to go over to LAX and fly out of there.

Is this the kind of nondiscriminatory procedure you are suggesting?

Mr. **Cohen**. Mr. Chairman, if it is valuable for Air California to fly from Orange County and if this allocation of this scarce resource—this scarce resource being the right to fly from that airport—they can bid against everybody else, and if it is valuable, they can acquire it in a competitive way.

Mr. **Anderson**. This would be on a bidding basis, then?

Mr. **Cohen**. That is one of the ways of doing it; that is one of the ways.

Mr. **Anderson**. Commuter carriers believe they would be outbid in an auction for slots at congested airports by carriers operating large aircraft who could afford to pay more. How do you think commuters, with the need for more frequencies, should be handled in an auction?

Mr. **Cohen**. The provisions in the bill specifically refer to the purposes of the Airline Deregulation Act, including the maintenance of essential air service as one of the factors to be considered in dealing with this. The Polinomics study takes this into account, and we have consistently, in talking about bidding for slots, assumed a public purpose determination, such as what the Secretary of Transportation makes at National now, to set aside a certain block of slots for commuters, so that commuters would only be bidding against each other, just as we now, on a public purpose basis, have decided to guarantee essential air service and to pay subsidy.

You make a public purpose determination that so many of the slots will be set aside for commuters, and they would then bid against each other in the auction, or in whatever nondiscriminatory process was used, for that block of slots, so that they would not be bidding against the big carriers at all.

Mr. **Anderson**. If carriers had to pay for slots, would there not be a so-called windfall profit to the airports and a resulting higher fare for airline passengers?

Mr. **Cohen**. One of the proposals that is made on that score is an auction system where the money that is received for the peak period slots is used to pay carriers to go to offpeak periods. That would be a reverse auction.

So this would merely be a market mechanism for trying to even up the flow of traffic at an airport, and to then weed out what creates more economic benefit to the society. A flight coming in at 5 in the afternoon might be quite valuable to a carrier.

Mr. **Anderson**. So you are suggesting no windfall to the airports for the slots, then?

Mr. **Cohen**. That is one suggestion. The second possibility, and the only other reasonable thing to do with those funds, is to use them to relieve the congestion that caused the slotting in the first place. It is either of those, but we would not at all want those funds to be used for any other purpose.

Mr. **Anderson**. So you would not expect these additional slot costs to be passed on to the consumer?

Mr. **Cohen**. In the first alternative, they would not be passed on to the consumer. In the second one, they would be passed on, but the consumer would benefit from having the additional facilities built to relieve the congestion. But other than those two alternatives, we would not recommend that the funds be used in any other way.

Mr. **Anderson**. Would not the auction system require that slots be put up for auction frequently, and if so, would not the possibility of losing a slot discourage the investment needed to establish service at an airport?

Mr. **Cohen**. I think the scheduling committees meet now twice a year, and it would not be necessary to go through this process any more frequently than that.

Mr. **Anderson**. Than what, once a year or twice a year?

Mr. **Cohen**. Twice a year, I believe, is what we have looked at. But we also contemplate an aftermarket, Mr. Chairman.

Mr. **Anderson**. If an airline knew that they were only going to have a slot for, say, 6 months or 1 year, would that be adequate time for them to build up the customers they need to make that route pay?

Mr. **Cohen**. I think that with the numbers of slots that we are dealing with here, and particularly with the single-price auction system that Polinomics recommends, it would depend on how valuable the slot would be for the carriers. But there would be enough slots so that the carriers would know they would have some.

In an aftermarket, particularly the kind we are talking about here of a computerized, anonymous aftermarket, they would have a pretty fair shot of being able to trade slots around to meet their scheduling needs.

Mr. **Anderson**. I am half way through my questions, so I think I will yield at this time and get to the rest a little later.

Mr. Gingrich?

Mr. **Gingrich**. Thank you, Mr. Chairman. I was going to say earlier that I understood your comment about Los Angeles being a strange place, but I did not want to pursue that. [Laughter.]

I have a number of questions about your statement this morning. First of all, I am curious about the equity of your whole attitude toward slots as they now exist, that is, brand new.

Should new entrants be required to, in some way, reimburse either older entrants or the airports for capital investment made prior to their entry? Is there not a free rider problem here where you wait until somebody else has made the investment and then you come along and, at a minimal cost, enter the game?

Mr. **Cohen**. I see this as acquiring a scarce resource. If I go downtown to rent a building to open up a law office, for instance, I pay rent; I pay the value of what I am using. I do not get into a complicated question of reimbursing the owner for what it cost him to build the foundation. All of that is built into the cost of the use of the facility.

Mr. **Gingrich**. But if you go to compete in a building and somebody else has a long-term lease and you show up and want to rent for a few months or for a year, it is very conceivable that the long-term lease is much less expensive. You may, in fact, have a difficult time leasing in that building if the financing for the building had been paid for by an exclusive lease.

Mr. **Cohen**. I do not disagree with that at all. I have no argument at all, and we have no argument, with short-term occupants paying a higher fee for the short-term occupancy than a long-term occupant. That is a regular commercial practice, and that is not discriminatory. People should pay for the costs of what they do.

Mr. **Gingrich**. To pursue your analogy, it is reasonable for potential building owners to have long-term leases that are exclusive, and it would probably be difficult to break that long-term lease. Are you not applying a different standard of law now to airport space?

Mr. **Cohen**. Yes; and for good reason. We are dealing here with a public facility—an exclusive public facility. You cannot just go and rent a building and accept passengers off an airplane that just landed. The only reason you can do it at that airport is because public funds were spent to build a big airstrip and support facilities and to put controllers up in the tower to make sure the planes do not crash on their way down.

That is a public facility and ought to be available to the public as a public facility, and it is that public interest and those public uses that give the public the strong concern to make sure that these are not exclusive preserves for individual commercial enterprises.

Mr. **Gingrich**. Let us assume you are right for future cases. But are you not also, retrospectively, breaking leases?

Mr. **Cohen**. No, I do not think so at all. Let me tell you why, Mr. Gingrich, and this comes from my private law practice experience. Let me give you the kind of situation that I ran into in private law practice which is quite common.

I represented a few large mining companies in Arizona, fighting with the local public utility about rates. One company had a long-term contract to pay a half a cent, per kilowatt hour for a block of 87 million kilowatt hours over a 10-year period. That was a firm contract between the local utility and the mining company.

Along came the Arizona Corporation Commission and said, "That price is going to go up." My client said, "Wait a minute; I have a contract here." I started digging into it and the law was quite clear, all the way up to the Supreme Court, that contracts of that nature are made in contemplation of the regulatory power of the Government because of the public interest in all of this.

There, you are dealing with a private electric utility and a private mining company. Here, we are dealing with a public facility built and given its utility with public funds. What I am saying is that these contracts are made in contemplation of nondiscriminatory access and in contemplation of this being a public facility.

Mr. GINGRICH. But that, in fact, involves substantial changes in the attitude of the Government in the last few years; that is, longterm leases now turn out to be long-term only if the Government does not change its policy.

Ms. SCHUMAN. If I may, this really is not a new principle; it was embodied in the act that was originally passed in 1938. It has been in Supreme Court decisions for over 60 years that there is to be equal access to commercially valuable facilities. This is not a new principle of law that the CAB is recommending.

The importance of reasonable and nondiscriminatory access to commercially valuable resources is a basic theme in a number of antitrust decisions that the Supreme Court has made. In 1912, the leading case came out on terminal access. In that case, a number of railroads actually owned themselves; they were not owned by the public or a local government.

The railroads owned terminal access into St. Louis from the West. Under the arrangements that those railroads had, they would not let a new railroad in unless they agreed to let a competitor in. The Supreme Court decided that this was not lawful, and they ruled that commercially valuable resources or facilities must be made available to new entrants to provide competition and there must be reasonable access. That is really all we are calling for here.

The reason that it is something that the CAB is discussing today as opposed to 10 years ago or 5 years ago is because the issue has really come to a head only recently, as airports become more congested and as States such as California impose a noise law which requires airports to restrict operations where otherwise they would not have.

So this is not a new principle of law; it is embodied in the Federal Aviation Act from the day that it was enacted, and it is a principle that the Supreme Court has recognized for over 60 years.

Mr. GINGRICH. You referred to the importance of reasonable and nonexclusive access. Where would you rank that importance with other considerations other than safety, and I am thinking specifically of noise here?

Mr. COHEN. Well, I do not think they are contradictory at all; I think they are of equal importance. How important is it to people to be able to fly back and forth to California $100 cheaper than they do now per flight each way, for example? You can magnify that all over the system. How important is it to preserve competition?

We are going out of business; we are not going to be controlling fares. How important is it to preserve competition? Who is going to control the fares at Orange County when there are two carriers there and nobody has control over fares? They do not even have to talk to each other; there is just the two of them and they can go ahead and charge what they feel they ought to charge.

Mr. GINGRICH. As I understand it, the administration's bill gives the Secretary authority to allocate slots at the airports on the grounds of safety and congestion. How would you go through that allocation? Is it purely just on a monetary basis?

Mr. Cohen. There are a number of ways that are being looked at now, and I think the Secretary is proposing to try something out at National Airport. It could be on an auction basis or a modified auction basis; it could be on a lottery basis with an after-market. There are a lot of these.

These are large numbers of slots, when you take 40 an hour times the number of hours involved. Once they are allocated in a nondiscriminatory way, then they can be readjusted in an anonymous computerized aftermarket to meet scheduling needs. This is an avenue we want to try to go down and see how well it works out.

We think there are some real prospects for doing it on some market-related basis that means, then, that instead of just whoever happens to be doing it now gets to continue to do it, generally, that you have this scarce resource, which is the right to land and take off, allocated in a way that relates to what is in the public interest.

How is the public interest decided? People decide what they will pay for things, and individuals make those decisions. We think a market-oriented process here is more in the public interest than one person or three people or five people all deciding, we think this is what is right.

Mr. Gingrich. Let us use your market for a second. Are you seriously suggesting that there is inadequate competition at LaGuardia or in the New York market, or at O'Hare? Are you seriously saying that in terms of real markets, there is inadequate competition at the busiest airport in the world?

Mr. Cohen. Mr. Gingrich, how much competition is there when you want to fly from here to New York? We have an Eastern shuttle from National to LaGuardia which is very convenient, and one of the great benefits of that is that it is available every hour. If the first plane is full and there are still people, the second plane goes. That is a lot of slots.

Mr. Gingrich. Let us just pursue this for a second. As I understand it, you believe the scheduling committees at National, JFK, LaGuardia, and O'Hare are anticompetitive, and you are talking about the need for more competition. Now, how much more competition can you have in airline service in Chicago or New York?

If those are anticompetitive, what is your vision of a competitive market?

Mr. Cohen. First, let me say we have under consideration now the issue of whether the scheduling committees are anticompetitive. We have not resolved the issue and it is pending before us, so we are considering the question. I cannot very well try to prejudge it here.

We have a concern about it, and other people have a concern. I think you could probably hear more from the Department of Justice because they appear before us and they take positions.

Sitting as a quasi-judge, I do not want to try and pre-judge it and say it is or is not right now, but we have some concerns about it. Some of the routes from New York are competitive, and some may not be.

Mr. Gingrich. If you have three airports in that area that are major airports, not counting minor airports that can be used by commuters, assuming that there is an overflow, and you have all the different options that are available—and I would suspect that the number of total flights available out of Chicago and out of New York are massively greater than most places—if that is not a competitive environment by any reasonable sense of the term, then what would you have us do?

Ms. Schuman. Congressman, we are not saying there is not enough competition in those markets. We are not saying that there must be more competitors and more airlines serving those markets.

If our position prevails, it does not mean that more carriers necessarily are going to come on to all new markets. Our point is a much more narrow one. Our point is one of allocating among competitors who wish to serve that market the number of slots that they may serve.

We are not saying there should be twice as many competitors between New York and Washington. What we are saying is, if there are five more competitors who would like to enter that market, they ought to be able to use those facilities on a nondiscriminatory basis with carriers who are already there.

Mr. Gingrich. And you are willing to contemplate imposing a computerized, complex lottery system in which you make those decisions, if that is necessary to fulfill your vision of competition?

Mr. Cohen. We are not talking about us making the decisions on who gets the slots.

Mr. Gingrich. The Government?

Mr. Cohen. No, we are not talking about the Government deciding who gets the slots, Congressman; that is not at all what we are talking about. We do not want the Government to decide who should get which slot; we do not want that.

Mr. Gingrich. Then who decides the computer formula?

Mr. Cohen. This is a system by which people try to match up what they need.

Mr. Gingrich. Who decides the computer formula that ends up with the allocation of scheduling? The ATA, the local airlines, or the Government?

Mr. Cohen. It can be done by any of those organizations.

Mr. Gingrich. Except that ATA and the local airlines have a lawsuit for antitrust. Are you not really saying, when you get to the bottom line, that the Government should be the arbitor of whether or not there is adequate competition, and the Government should, if necessary, decide whether or not the formula is adequate?

Mr. Cohen. The Government is always the arbitor about whether there is adequate competition; that is what our antitrust laws have been about for over 100 years.

Ms. Schuman. Congressman, we are concerned that under the existing system of having scheduling committees at those four slotted airports, that the Government may become more involved than they are now, and certainly more involved than they would be under an auction.

There is a lot of pressure on those scheduling committees right now, as new entrants have the opportunity to come into the markets. The scheduling committees work under a unanimity rule. If they fail to meet an agreement that is agreed to by all those who would like slots, then there is no agreement and the FAA is called upon to allocate those slots.

Mr. GINGRICH. But has that happened, Ms. Schuman?

Ms. SCHUMAN. That has not happened yet.

Mr. GINGRICH. So are you not presuming failure, even though they say they think they can handle it?

Ms. SCHUMAN. We are not presuming failure. However, we are noticing that it is becoming more difficult for airlines to reach agreement in the scheduling committees. Why? Because the pressure brought to bear by the new entrants and by the smaller commuters who would like to come in—they are not going to continue to agree.

Mr. GINGRICH. Has that happened?

Ms. SCHUMAN. It has not happened. However, the process has become more difficult; it is taking longer for an agreement to be reached.

Mr. GINGRICH. Do you have a plaintiff?

Mr. COHEN. At this time, no.

Mr. GINGRICH. So you are, in fact, in court seeking changes without a plaintiff telling you they need a change.

Mr. COHEN. We have pending before us the question of whether——

Mr. GINGRICH. Who poses the question?

Mr. COHEN. May I continue?

Mr. GINGRICH. Yes, sir.

Mr. COHEN. We have, under the law, an obligation at the CAB to look at any situation where airlines sit around a table and discuss things and decide whether or not that process should be granted immunity from the antitrust laws.

Mr. GINGRICH. I think it already is, though, is it not?

Mr. COHEN. Yes, but the law says we have to review that. The new law that passed said that we should review all of these, and one of the things that we are reviewing is this process, because the standard that is to be applied under the law is, is this anticompetitive, and if it is anticompetitive, are there compelling public transportation benefits that outweigh that.

The last question is, are there less anticompetitive means of doing the same thing.

Mr. GINGRICH. Mr. Cohen, I have to confess that unlike my distinguished colleagues up here, I am not an attorney. But it is my vague understanding that in law, if you do not have a plaintiff, you have a hard time filing a case.

You are in a situation dealing with the two most competitive markets in the world, telling us that you are reviewing it and deciding that they are not competitive enough and that there is a problem, although no one has filed any kind of indication that there is a problem.

Mr. COHEN. We are not a court here.

Mr. GINGRICH. I understand that.

Mr. COHEN. This is the law, telling us that we have to review. Right now, there are things that are going on which, if we did not give them immunity from the law, would violate the law.

Anytime you have an extraordinary process, like an agency that gives immunity from the basic principles of law like the antitrust principles that are basic principles in this country, there is a duty to look at that, particularly when the statute says for the first time in the last couple of years that we should look and see whether there are less anticompetitive ways of doing this.

So we are looking, and in the process of looking, the one thing that we have been told and have noticed—and we have been told this by a study of experts—is that the way this current process of the scheduling committee works, where they sit around and reach unanimous agreement, that process itself means very little change. It means that, "Those that have slots keep them and those that do not get a little bit."

A newcomer can come in and get a couple slots; somebody who has 50 slots may go down to 48.

Mr. GINGRICH. It is incremental rather than radical change.

Mr. COHEN. Yes, small increments.

Mr. GINGRICH. I want to thank you for your graciousness in allowing me to pursue this. Let me just close by saying that I have a fear that in this new spirit of free enterprise, we may apply academic, abstract theories that are as damaging to the health of this society as would be an equally vigorous application of socialist theory.

I think that the creation of a random jungle in which, routinely, we change the behavior patterns may do as much to disrupt the capital investment and the kind of quality of air transportation we have now as any other kind of Government intervention based essentially on theory; not on reality, not on hard cases, not on people coming in and complaining, and not on the absence of public choice, but on the fact that somebody with a Ph. D. in economics running a computer decides that there are, theoretically, more sophisticated ways to do it than what has evolved.

I yield back.

Mr. COHEN. If I might just briefly comment on that, when you have a scarce resource and a lot of people want that resource, allowing them to bid money for that resource is the antithesis of the way the socialist system works.

If you have a scarce resource, having them all sit down and agree that, "this is the way we will split it among ourselves" is exactly the way a communist or socialist system works. So I do not think the analogy is very good.

Mr. GINGRICH. You will hardly find Adam Smith arguing that people cannot sit down and talk about long-range trading relationships.

My only point was that having the Government intervene for theoretical reasons, whether the theories are Milton Friedman's or Marx', it is nonetheless a very dangerous way to have a very prosperous economy. Thank you.

Thank you, Mr. Chairman.

Mr. ANDERSON. Let us let another part of Atlanta get in here. Mr. Levitas? [Laughter.]

Mr. LEVITAS. Thank you, Mr. Chairman. Hopefully, after we finish this ADAP bill, with Mr. Gingrich on one side and myself on the other side, you may feel like Christ between two thieves. [Laughter.]

Good morning, Mr. Cohen. Let me ask you this. I did not get your testimony until 6:30 last night.

Mr. **Anderson**. He has already given me heck for that; I want you to know that I got blamed.

Mr. **Levitas**. Do you know when your testimony came over to this committee?

Mr. **Cohen**. I will ask my general counsel.

Ms. **Schuman**. That is my fault, Congressman Levitas. We had a copy of the testimony up here on Tuesday. I called on Wednesday morning and said that we would like to make a few changes in the testimony. I asked the staff to please hold it and not distribute it and wait until we got our final version.

They graciously did so, and we delivered our final version; it may have been as late as 6:30 last night. I know it was late yesterday afternoon. But it is my responsibility that it came in that late. We did have an earlier draft, but we wanted to make changes to make sure that we said precisely what it was that we wanted to say.

Mr. **Levitas**. I simply raise this publicly, Mr. Chairman, because as the Chair announced when these hearings commenced, there was a 2-day-prior filing requirement. For those of us who are slow readers to do our job well, it really is, I think, essential that we adhere to that rule as much as possible.

Mr. Cohen, you made reference to the beginning of a trend to mini-CAB's around the country—airport commissions, boards, or whatever. You stated, and I agree very strongly, that we need to deal with that problem now, so that we do not have a proliferation of this type of balkanization of our national air transportation system.

What do you think about this ADAP legislation containing certain provisions on preemption?

Mr. **Cohen**. I have not gone into that, Congressman Levitas. Preemption of what?

Mr. **Levitas**. Preemption of local airports to restrict on the basis of noise regulation, for example.

Mr. **Cohen**. That, then, carries with it a concommitant Federal liability, probably, to pay for all of the potential damage, and that is the kind of question that is up to the Congress and the administration; it is outside the jurisdiction of the Civil Aeronautics Board.

Mr. **Levitas**. What about the right of local boards to restrict access by the use of long term leases?

Mr. **Cohen**. Mr. Levitas, I think that is, in essence, what is accomplished by the provisions of the administration bill that deal with that. They leave the processes to the local airport operator to try to deal with the problem with the carriers, and just put an ultimate power in the Secretary to step in as a last resort in case everything else fails.

Let me clarify for a moment, if I might, on my answer about noise. I do not believe that this bill gives the Secretary any additional powers in the area of noise.

Mr. **Levitas**. You indicated in your remarks in San Diego recently, if they were accurately reported in the press, that the use of noise restrictions to curb access to airports would be something that the CAB would be looking at. You said, "The Board is concerned that noise control measures will be misused as arbitrary restraints on airport growth."

Mr. **Cohen**. Let me clarify that, because that is just a partial report. The thrust of my talk in San Diego was that it is up to the local community and the local airport to decide, on a reasonable basis, what sort of noise limits they want to put. We do not argue with their right to do that.

Our concern is that whatever limitation they put on be properly related to the problem, which is noise, and if they put a limit, that the allocation, within that limit be on a nondiscriminatory basis. We are not saying that they should not be able to limit noise.

Consistently over the past year, every time I have spoken on the subject, and in private meetings with the planning authorities in the bay area and with others, I have said that the local airport operators and local communities have a perfect right, we think, to go in and deal with this problem in terms of their local situation, each local situation being different.

What we have a concern about is, for instance, when San Diego first started to deal with this problem, they said, "For noise reasons, we are not going to let any other airline come into San Diego Airport." But they did not say, "We are going to restrict how many flights Western, which already occupies space there, is going to fly a day."

Mr. **Levitas**. What about variable landing fees based upon noise?

Mr. **Cohen**. That sounds like a nice idea to me.

Mr. **Levitas**. What did you mean by the application of a program similar to the Environmental Protection Agency's offset purchase program as a possibly means of——

Mr. **Cohen**. You say, "You can produce so much noise" and put a limit on, and then let the people who are interested in having the right to make noise trade among themselves on an economic basis, and buy from each other the right to make noise.

Mr. **Levitas**. In other words, some type of bubble concept?

Mr. **Cohen**. Yes. My general counsel wants to clarify that.

Ms. **Schuman**. I would like to clarify something on the preemption issue. This bill does not contain any provision that would have the Federal Government get into the business of disturbing local airport proprietors' control now over noise at their airports. There is no provision in here that would preempt that.

If the Secretary has to go in, under section 307, and allocate spaces at a particular airport, as we read this it will be done subject to the noise restrictions, so long as they are nondiscriminatory and so long as they are reasonable, but subject to those noise restrictions imposed by the local airport proprietors.

This bill does not in any way that I am aware of take away from airport proprietors the authority they have now to restrict the noise levels at their airports.

Mr. **Levitas**. Once you get into the question of allocating slots or making gate access decisions, if part of the restrictions are a result of noise control programs, it is inescapable that that has got to be something that the Secretary would take into account.

Ms. **Schuman**. He will certainly take that into account. So let us say, for example, that an airport establishes a noise ceiling at that particular airport, for whatever reason—either because they are required to do so by their variance from the State laws, or because they decide, as a local matter, that they do not want excessive noise.

The Secretary's decision on how slots would be allocated would be a decision that must allocate those slots within that noise ceiling, so the local proprietor does not lose his ability to impose a noise ceiling, so long as it is reasonable and so long as it is nondiscriminatory.

Mr. **Levitas**. Mr. Cohen, you are quoted as saying that you would hope to see less reliance on long term leases as the underpinning for the sale of revenue bonds, and greater reliance on the underlying strength of the air traffic market. From that, obviously, flows your feeling that it is OK for the Secretary to come in and bust up some of these long term leases.

How much testimony have you received from the investment banking community as far as this is concerned? We have not been able to get very much input.

Mr. **Cohen**. We have met with the investment banking community and we have met with airport operators. What we are finding is that new leases that are being made in this current environment, or to the extent that long term leases are being made, the airport operators are reserving the right to require subleases.

We are not really talking about going in and ripping up a lease or busting up a lease. We are really talking about requiring subleases, where the people who sublease pay money, and it is money that services bonds. What we are dealing with here is the exclusivity aspect; that is what we are dealing with. We are not dealing with anything else; we are talking about requiring subleases.

All the new agreements, as I understand it—and we have met with the bond councils who work with the investment community—are now dealing with this present environment in terms of preserving the right to require subleases, and that right is preserved by the airport operator.

All we are dealing with, basically, here is putting the power in the Secretary of Transportation. Again, I would be willing to bet something that that power would never be used. It is the presence of the power that will help solve the problem. But when that power is used, if it ever would be, it is really to do what is already being put in the new leases that are being made, which is to require a sublease.

That is the way I would anticipate that the airport operators would deal with these, in any event, so that the problem would never get to the Secretary. It is the presence of that power that I think will resolve the problem, and let the local people resolve it.

Mr. **Levitas**. I was smiling when you were speaking, and it had absolutely nothing to do with the substance of what you were saying.

Mr. **Cohen**. I do not know if that is good or bad. [Laughter.]

Mr. **Levitas**. I have made that argument repeatedly in connection with another subject matter. I am interested in something that is called the legislative veto around here, and have often said that the very existence of that power is its greatest merit; that just because it exists, it will rarely be used, because the more rational and responsive decisions will be coming out of the agencies.

I am glad to hear that at least the philosophy of that type of function has taken root in fertile soil, if nothing else.

I am somewhat concerned about the judicial remedy that you provide to even third parties. It seems to me like this creates a lawyers' field day, with litigation in U.S. district courts all across America, rather than having a more orderly solution to these problems.

I do not know if you have been made aware of it, but I have proposed as an alternative to the provision in the administration bill maintaining the existing law, as far as it goes, and then having the Secretary of Transportation convene a conference on access involving slotting, gates, and other facilities. This conference would meet in a very short period after the passage of ADAP and have a very short period of existence—maybe 90 days.

Incidentally, the Chairman of the CAB would be designated as the chairman of the conference, but it would have representatives from airport operators, the carriers, the Department of Justice, the FAA, the DOT, certificated carriers, commuters, and the public interest groups that represent the traveling public; in other words, get everybody into a room who are players in this action, which I have not seen done. Indeed, I have heard a great deal of reluctance to do that in the past.

Get all of these people in the same room—not just the carriers and the airport operators, but the CAB and the passengers—get them all in the same room and, in effect, lock the door and say, "Either you work it out, or Congress is going to impose some solution, without the benefit of your proposals."

I think that might frighten enough people into coming up with some solutions, because even among the certificated carriers themselves, there are conflicts. United Airlines, for example, which clearly wants to protect its dominant position at O'Hare, has moved into new markets where they never served before under deregulation, and they would like to get some access there. So they have some conflicts.

What do you think about a conference of that sort, to get all of the players together and let these people who are involved come up with some solutions?

Mr. COHEN. Congressman Levitas, I have not had a chance to fully consider all of the implications and ramifications of such a conference. It seems to me, at first blush, that that is not at all inconsistent with going ahead with the administration proposal.

The administration proposal does not do what the conference would do; they are, it seems to me, two different things. The administration proposals sort of sets a very broad framework with some incentives to everybody to try to work these things out.

It seems to me, on first blush, that it might be good to have both. The fact that this power to require subleases exists in the Secretary of Transportation has an incentive, if that were adopted, and the clear statement of Congress here about nondiscriminatory access would be an incentive to all of the parties to try to work out reasonable ways to deal with this problem.

It seems to me that those two approaches are not at all inconsistent and might even be very complementary. I might say that on the issue of litigation, aside from the Secretary pulling money away from projects, litigation seems to be the only remedy in the existing circumstance, and that is somewhat ambiguous.

Mr. **Levitas.** I think we do need a statutory solution. I am just suggesting that we may be putting the cart before the horse, because what we are, in effect, saying to the Secretary of Transportation under that proposal is that, "Based upon your good judgment"—and Neil Goldschmidt has good judgment, but he may or may not be here forever—"we are going to let you solve these problems."

I would rather see us make this first step of getting the players together, getting them in dialogue, and creating solutions. I think the solutions, for example, at O'Hare will be different from the solutions at National; those at Hartsfield will be different from those at LaGuardia.

In any event, I will make a copy of that proposal available to you for study, and I appreciate your comments on it.

I have a number of other questions, Mr. Chairman, but in order to let others participate, I will stop at this point. I do have some questions on the Polinomics study. Well, I have two other questions, very quickly.

I am somewhat concerned about your suggestion that a lottery is one viable alternative for dealing with the question of slotting. Is not the development of a rational, national air transportation system too important to be left to mere chance?

Mr. **Cohen.** I prefer a market-oriented system; I am not really excited about a lottery. I would much prefer a market-oriented system that has something along the lines of the Polinomics study, at least at this stage. We have not finished reviewing comments; we are still in the process of this.

Mr. **Levitas.** I want to go over your answers to some of Mr. Anderson's questions, and also Mr. Gingrich's, because of the concern that a bidding procedure might deter investment and goodwill creation. I am not sure, even as I read the Polinomics study, that we have taken care of the commuter problem.

Mr. **Cohen.** That really has to be a separate pool that is decided on a public interest basis, and not in a bidding process; I would agree.

Mr. **Levitas.** The last question I have is this. It was reported recently that the Department of Transportation, or some officials at the Department of Transportation have said that they see no reason why the sunset of the CAB could not occur shortly after the essential air service program is scheduled to be completed, in 1982. I wonder if you have any thoughts on that.

Mr. **Cohen.** I am not quite sure what they mean by "the end of the essential air service program." The way I read the Airline Deregulation Act, and what I think is clear, is that the essential air service program is a 10-year program.

Mr. **Levitas.** That is my understanding.

Mr. **Cohen.** I do not know what Mr. Johnson is referring to when he talks about the end of that in 1982. At any rate, our rate function—that is, control over tariffs and rates—ends at the end of 1982.

Mr. **Levitas.** Right.

Mr. **Cohen**. We are scheduled to sunset, I think, 2 years later. What I have said before in answer to questions is that it may be possible, if we do the proper planning and if our task forces continue to work along as they are in trying to identify those positions that will be transferred, and what functions will be transferred and to whom, and if we deal reasonably with the consumer protection transfer, which is not yet dealt with in the law—and we want to make some proposals about that——

Mr. **Levitas**. Are you going to make some proposals about that?

Mr. **Cohen**. We hope to.

Mr. **Levitas**. This year?

Mr. **Cohen**. In the next Congress; I do not think there will be time this year. Sometime between the end of our tariff functions in 1982 and the last 2-year period, it may be possible to shorten somewhat. I think that the most important thing is that this be done in an orderly way; that we get all of the questions answered as early as we can. I am not wedded to any particular date, Mr. Levitas.

Mr. **Levitas**. So there is no institutional opposition to the concept that we might shorten the period?

Mr. **Cohen**. I think that many of the staff members at the CAB would be concerned about the uncertainty, if the idea is floating around that this could end tomorrow.

Mr. **Levitas**. It was proposed during one of the conferences we had at the end of last year to sunset the ratemaking fare power of CAB earlier; it was a House proposal. The Senate did not go along with it and it was dropped. Subsequently, I understand that Senator Cannon has had some second thoughts about that, and he might go along with this retroactively, as a matter of fact. But it is something that is floating around.

Thank you, Mr. Chairman.

Mr. **Anderson**. Mr. Fary?

Mr. **Fary**. Thank you, Mr. Chairman.

Mr. Cohen, in areas where the primary airports have become overcrowded, have you seen any evidence that reliever airports are being used more efficiently? In other words, have you seen any automatic adjustments taking place as slots at some airports become scarce?

Mr. **Cohen**. Mr. Fary, we are all familiar with how Midway Airways has started at Midway Airport, and they seem to be doing well and they have plans to expand their services. That is probably the best example of this happening.

I think there are some other examples of in-town airports being utilized, and more attention being paid to in-town airports. We have been trying to encourage, by granting broad authority, use of airports such as Oakland and BWI here. Of course, the proprietors of Baltimore-Washington International are doing a great job of promoting the airport and attracting new service.

Of course, Ontario is a reliever airport for LAX, and I am not sure of the degree to which new service is developing at Ontario because LAX is overcrowded now. I think Cliff Moore will be testifying today; he could probably tell you more. I know that they are about to complete a new runway to provide more facilities and more access at Ontario; that should help there.

Mr. **Fary**. With the overcrowding at O'Hare, we have some very choice gates at Midway.

What does the level of landing fees have to do with the level of service to an airport? Is it your impression that there is any relation between the level of landing fees and decisions by airlines to hub in one city instead of another?

Mr. **Cohen**. Mr. Fary, I think that with some exceptions, the current level of landing fees is not structured as yet to create strong incentives or detriments to carriers. For instance, in the New York situation, between LaGuardia, JFK and Newark, there are not landing fee differentials that would cause movement from one to another.

I have spoken with the British airport authority people about their experience. They have found that using landing fee differentials is reasonably effective in smoothing out peak and off-peak use of the airport, so that a higher fee at peak tends to push people into off-peak, and smooth out and make that airport operate more efficiently.

They think that a much greater price differential is necessary to have any effect on the choice, for instance, between Heathrow and Gatwick; and here, in this analogy, the choice between, for instance, LaGuardia and Newark would take, I think, a pretty high differential.

Now, there is another aspect of this. There are isolated instances of communities looking to raise landing fees when they have a single carrier operating jet aircraft. They are seeking to raise landing fees to the point where the carrier may be discouraged from continuing service. Those are isolated instances.

Other than that, I do not know that the current level of landing fees around the country has any significant impact. 8

Mr. **Fary**. Thank you very much, Mr. Chairman.

Mr. **Anderson**. Mr. Hammerschmidt?

Mr. **Hammerschmidt**. I have no questions, Mr. Chairman.

Mr. **Anderson**. Mr. Mineta?

Mr. **Mineta**. Thank you, Mr. Chairman.

Mr. Chairman, you have been dealing with this whole issue of access, and you cited the example of Orange and Washington National. I was wondering, are there a lot of these kinds of examples where this becomes an issue, where someone gets displaced or is not able to come in because of this access problem?

Mr. **Cohen**. Not yet, but with some exceptions. When we are talking about this happening at major hubs, that has national effects, of course, because 98 percent of our travel traffic is from hub airports, of course.

There is another phenomenon that is occurring that gives us some concern, and that is, as we work toward a more efficient transportation system, which means that going from large aircraft once a day to small communities—large jet aircraft, using a lot of fuel and traveling short hauls—as we move from that to having commuter aircraft, which are more fuel efficient for short hauls and which provide more frequent service and more efficient service to small and medium-sized communities, that can mean going from three flights by a carrier into a hub airport a day to 24 commuter flights, for instance.

That process is going on now, and that, I think, adds to our concern about what we are going to do to assure access to these major facilities.

Mr. MINETA. I guess there are two problems. One is where someone is initiating service and where you already have an existing contract and new entrants are not able to get in. I can recognize that under the deregulation regime, we tend to be encouraging the commuter aspect of it.

But what about the other aspect of, let us say, replacing three DC-9s coming in and out of town with one L-1011, or something of this nature? Again, you are getting certain kinds of efficiency.

Under those circumstances, what happens when you have existing service and the inability to get counter space, terminal space, et cetera, as well as where you have existing contracts and a new entrant is trying to get in and is denied that opportunity? Are there a lot of those kinds of examples?

Mr. COHEN. There are a few, so far; there are not a lot of them yet, but there are a few, so far, and that is what gives us concern. Those few can be in major markets that have a significant impact. My transcontinental example, for instance, can have a major impact if a carrier is not able to get in and compete with three or four flights a day on a strongly competitive level. That could mean a loss of a lot of consumer welfare just in that market, if it does not work out that a new carrier can get in and the public does not get the benefit of a $100 reduction, for instance, in the coach fare level.

Ms. SCHUMAN. Congressman, I think there are three types of cases in which the airport access issue arises. One case, we find mostly in California; it is where many airports are operating under variances from the State law which requires them not to permit noise at an airport that exceeds a certain level.

That is a real problem today. How can airports meet that requirement of State law and keep noise at reasonable levels, and at the same time, allocate their space in a fair and reasonable manner? That is a problem today.

The second type of case in which we have an airport access issue relates to those four airports where we have scheduling committees currently operating to allocate the space. We anticipate that there will be increased pressures on those scheduling committees.

Although, as Congressman Gingrich pointed out earlier, there has not yet been a failure of such a committee to reach unanimous agreement on an allocation, we are looking ahead to see whether there may be such a failure. The CAB is looking at its grants of antitrust immunity to these carriers to get together and meet. We consider that to be an issue and a problem that is with us now and something for which we must find alternatives and a solution now.

The third type is where carriers are trying to get into airports such as Atlanta, Denver, and Salt Lake City—the nonslotted airports and the ones where you do not really have a noise problem so much. In those cases, there are scattered reports; sometimes they are worked out, and sometimes they just continue to negotiate for a long time.

We believe that legislation is necessary at this stage even for that third type, because it ought to be made clear now what the responsibilities of airport proprietors are in making the space available on reasonable and nondiscriminatory terms, so that Congress does not have to face this issue when we are in the midst of an enormous problem at most of the airports in which there have been a lot of instances of discrimination.

So, of the three kinds of cases that I have described, in the first two we have real problems, and we have them today; for the third, we are foreseeing this problem. We have a number of instances now, but we expect that it will get worse as congestion increases and as airport capacity does not expand to meet those increases.

Mr. LEVITAS. Would the gentleman yield?

Mr. MINETA. I would be more than pleased to yield to my colleague.

Mr. LEVITAS. I have not heard anything yet from your testimony, nor in any legislation presented to this committee, of how this would be made clear. We have not made anything clear. All we have said is that the Secretary has a sledge hammer. What has been made clear? Who has proposed anything that is going to make anything clear to anybody? That is why we need a conference, to work it out in advance, I think. But what has been made clear?

Mr. COHEN. Mr. Levitas, that whole process that has to be gone through, starting on page 78 of H.R. 3745—"The owner or operator of each such airport shall offer access to the airport facilities within a reasonable time and upon reasonably competitive terms to all persons engaged in air transportation who seek to use them." That sets the principle. The principle has not been set in relation to the terminal facilities, and that sets the principle.

Mr. LEVITAS. Is that not already in the law? The law says today that at an airport which is financed by Federal funds, you have to provide equal access.

Mr. COHEN. It says, "There shall be no exclusive right for the use of any landing area or air navigation facility upon which Federal funds have been expended." That is section 308. That talks about the landing area and the air navigation facilities, and says, "There shall be no exclusive right."

We think that the proposed language that says that "The owner or operator of each airport shall offer access to the airport facilities within a reasonable time and upon reasonably competitive terms" deals with the problem more specifically and more comprehensively.

This other one just talks about landing areas and navigational facilities and does not talk about reasonable time or reasonably competitive terms.

The rest of what is proposed sets up a process by which there is plenty of time for the local people to work all that out, in line with this general principle. We think it sets up a good framework.

Ms. SCHUMAN. Congressman, a great deal of attention has been focused during this hearing on the powers of the Department of Transportation that would come about under the administration's bill.

I think our point of view is that these are very much standby powers; that, as with your argument on the legislative veto, their existence is going to mean that they will not have to be exercised.

We have a slightly different emphasis. What this bill does is it makes more clear the obligations of airport operators, and it gives third parties some remedies. So I think the result will be two-fold. One, airport operators have a much clearer signal of the congressional intent that discriminatory practices violate public policy; second, that a mechanism is set up so that there is a clear way in which carriers can have their disputes and their complaints resolved.

This bill emphasizes voluntary action. The Secretary is to seek a voluntary resolution of these access issues before any of his authority comes into play here. It is that voluntary action that we would emphasize, rather than the authority given to the Secretary, because we think that is where all the activity is going to be.

Mr. COHEN. Congressman Levitas, at the present time the carriers now have the threat of legal action to hold over the head of the airport operator who tries to work all of this out. The airport operator tries to get a carrier to make a sublease when the carrier does not want to. The carrier can say, "If you force me to sublease, I will take you to court." This puts the airport proprietor in a much better position to deal with these problems.

Mr. MINETA. Let me follow up on that aspect of it. You have been a leader in this whole effort to try and get the Government off the backs of the airline businesses. Yet, on page 5 you say, "If the Secretary is unable to secure voluntary action, he may take action necessary to remedy the violation, including the modification or termination of existing agreements, including leases."

Now, is that not a contractual relationship between the airport operator and the airline? You are saying, "Well, that is all right; we will let the Secretary come in and, with an iron hand, deal with those agreements and leases." It just seems to be inconsistent to have this whole deregulation regime, especially right now when we have the power to go ahead and cut off funding for airport development, which I think is a stronger stick than to, all of a sudden, have the Secretary become the person who intervenes in that contractual relationship between the airport operator and the airline.

Mr. COHEN. Congressman, one of the concerns that I think people have had about deregulation is that this whole system might end up with one carrier—and this is one of the fears of people about the free enterprise system, that it could end up with one business enterprise controlling everything.

Well, we have a whole set of antitrust principles in this country to protect against that, and those antitrust principles are the Government interferring to try to assure the continuation of a free marketplace.

Mr. MINETA. That can be dealt with through the court system or by taking administrative action for the modification or termination of existing agreements or leases.

Mr. COHEN. Our concern is that some clear power exist to end an exclusive control of a public facility; that exclusive control of a public facility by a private interest can interfere with the workings of a free marketplace and can interfere with the free enterprise system as we hope it will work well in the airline industry.

One way to deal with that is to have a power to end an exclusive control situation reside in the Secretary. That could also reside in the courts. Our fundamental concern is that that power reside somewhere to assure that there are incentives on all of the parties to end exclusive control situations to the extent necessary to allow access and competition and the free market system to work.

Mr. **Mineta**. I think I agree with you as far as the existence of the problem and that issue, but I am wondering whether or not your solution does not swing the other way to a greater involvement on the part of the Federal Government again back into that relationship as far as a deregulation regime is concerned. That is my concern.

Mr. **Cohen**. I think it depends on whether the procedural safeguards set up are adequate safeguards, and that is something to be looked at. We think there are enough procedural safeguards in here to do that, but we would hope that you would give serious consideration to making sure that that power is there clearly spelled out in the courts, the Secretary, or both, to step into the situation in the event that a carrier with a long-term lease is not making the facilities open, opening the facilities.

We are dealing here primarily with unused facilities that are available and are just being sat on by someone who holds the lease and controls assets.

Mr. **Mineta**. Right now, the Secretary of Transportation can withhold ADAP funds.

Mr. **Cohen**. What concerns us about that is the question of reasonable relationships. Should he endanger people? If those funds are necessary for safety purposes, it is sort of like punishing five kids for what a sixth kid is doing, and for that reason, it is rarely used and we do not think it is a very effective tool because of that. If that airport needs things, it needs them for reasons unrelated to whether one carrier is blocking its competitor or not.

Mr. **Mineta**. What about the aggrieved third parties? Do they have any rights, any procedural manner right now under present law?

Ms. **Schuman**. Under existing law, they do not have standing to sue on the basis that the ADAP agreement, grant assurances have been violated by the airport. They have standing under 308. However, courts often send the complainant back to the agency, because there is a section in the statute, section 1002, which provides that if any person believes that the Federal Aviation Act is being violated, the person is to file a complaint with the appropriate agency—here, the Secretary of Transportation.

So you have a primary jurisdiction and an exhaustion of remedies problem when third parties try to go into the courts to have their complaints based on 308 heard.

If I could get back to your question as to whether there is enough authority here for the Government to go to court to enforce the equal access provisions or whether it should go to the Secretary, the courts really are not good forums to decide these kinds of issues. Courts are very good at deciding a winner and a loser. But in this particular kind of problem, you have a situation which pertains to Congressman Levitas' idea. It is a matter of sitting down with the airport operators and the carriers involved and working out a way, airport by airport, that these problems can be resolved. The courts cannot do that. They can only say, "You are right, and you are wrong," whereas usually the solution is one that should be able to be worked out by the parties and is worked out prospectively.

The way this bill is written, that sort of conversation and discussion and working out would happen, because before the Secretary can take any kind of action, he has to try to secure voluntary action. He can convene the kind of miniworking group that Congressman Levitas is speaking to. The Secretary can say, "Airport operators, you and these carriers work this out." It is only if they are unable to work that out that the Secretary can modify the lease, and the very existence of his authority to modify that lease is going to give the parties a much greater incentive to work out their problems. That is a much better way to solve the airport access issues than to require the Federal Government, with the concurrence of the Justice Department, to take the issue to court.

Mr. MINETA. It seems to me what you are doing is taking the monkey off the Secretary's back, because he has the ability, through the Department of Justice, to go to the court and do the same thing, but what you are really doing is transferring that to, quote, "aggrieved third parties," and it would be outside the court system, and interjecting the Secretary into the contractual relationship between the airport operator and the lessees and the airlines.

Ms. SCHUMAN. That is our scheme, but we think that is preferable, because there is going to be a lot of give-and-take going on in the next few years among the air carriers who now serve airports and among those who want to get in and with the airport operators themselves.

If you take a case and you freeze it in a point of time, and then you file a lawsuit and you have a court decide 1½ years later on facts that are now very stale, during which time nobody has done anything because they are waiting for the appeal to be heard, we will never solve this problem.

Mr. MINETA. But, in any event, it is still a lengthy, costly process, but what you are doing is transferring it from the Department of Justice to a Mrs. Mary Smith, an aggrieved third party, living under the flight pattern, or to XYZ airline trying to get a gate space at ABC airport.

Mr. COHEN. I think what we are suggesting in the act is that an aggrieved third party, probably an air carrier who has been barred from an airport, can go to the Secretary of Transportation and seek relief, which could then result in the Secretary of Transportation sitting down with all the parties to try to work the whole thing out. And I think what Ms. Schuman was saying is quite correct; that that probably would get a better result than going to a court that says, "You win; you lose," and is not really set up to deal with a fluid situation. These things change constantly. Markets change; needs, demands, supplies change. But the court alternative is there as a safety valve in the event that the administrative process does not bring relief.

There are some natural disincentives to going to court. If you want to get into an airport and it is going to take you a 1½-year court process, you may just throw up your hands and say, "I have to put my planes somewhere else," even though it may be in the better public interest for them to be in the airport they wanted to get into.

Mr. **Mineta**. Thank you very much, Mr. Chairman.

Mr. **Anderson**. Ms. Ferraro.

Ms. **Ferraro**. I have no questions, Mr. Chairman. I just would like to comment that I believe the testimony of this panel has been extremely informative and complete, and I do see the Secretary is here and perhaps he will let us know whether or not he wants the power that you want us to give him.

Mr. **Cohen**. Thank you, ma'am.

Mr. **Anderson**. I have some questions, but some of them were answered as we went along.

Should airport proprietors have the right to limit overall operations at an airport for environmental reasons, and could this type of limitation be an undue burden on interstate commerce?

Mr. **Cohen**. Mr. Chairman, as long as the limitation is directly noise related—in other words, if the limitation is because of noise, the nature of the limitation must be a limitation that relates to noise, not just the number of operations, because there might be 10 quiet operations versus 5 noisy ones and limiting numbers does not necessarily relate to the object of the limit. As long as the nature of the limit directly relates to the object of the limit, and as long as it is not so strict as to——

Mr. **Anderson**. What kind of limits do you want? Could you be a little more specific?

Mr. **Cohen**. Cumulative noise levels, single-event noise levels perhaps during particular times, day and night differentials, curfews directly noise related; LDN, as I understand, is the current particular measure that is used. As long as they are directly noise related and as long as they do not exclude huge numbers of aircraft from the community—and you would have to look at them on a case-by-case basis to see whether they unreasonably interfere with interstate commerce—but if they are reasonable and they are noise related, we do not see anything wrong with them.

Mr. **Anderson**. Are there situations in which you would oppose local curfews as undue burdens on interstate commerce?

Mr. **Cohen**. I suppose it depends on the particular curfew. If you had a curfew that ran from 2 in the afternoon until 12 o'clock the next day, so that there was a 2-hour window in which people could go in and out, that might very well unreasonably interfere with interstate commerce.

I do not know precisely what the line is. There are existing curfews at airports that do not appear to interfere with interstate commerce.

Mr. **Anderson**. The implication you give to me, then, is that you would believe that the airport operators should have a great deal of latitude in determining access for solely environmental reasons.

Mr. **Cohen**. Mr. Chairman, I believe that is correct, as long as they do things that are specifically related to noise. What has started the problem here is that under the guise of a noise concern, some airports said, "We will not let a new carrier come in"—this was the San Diego proposal—"We will not let a new carrier come in, but we will not limit how many flights the existing carriers fly." That does not really deal with noise.

Mr. **Anderson**. But you did say that you would approve a curfew, but not if they just left a 2-hour opening, which gives me the impression that almost any other kind of a curfew would be all right.

Mr. **Cohen**. I do not mean to say that, Mr. Chairman. I was giving an example of something that obviously interferes with interstate commerce. I do not know what the precise line is, and it depends on the circumstances of each community, what the alternative airports are there, what the alternative facilities are, and there are lots and lots of detailed aspects to look at in each situation, but I believe each community has quite a bit of latitude, Mr. Chairman.

Mr. **Anderson**. Should airport proprietors have the right to require all carriers serving an airport to comply with noise standards on a timetable which is stricter than that imposed by Federal regulations?

Mr. **Cohen**. I am not a real expert on FAR 36, and you will have before you today, of course, people who are much more expert. As I understand FAR 36, it deals with standards for how much noise a particular airplane—it is aircraft construction standards, manufacturing standards. If an airport wants to establish a noise-related standard as to how much noise is allowed to be made and then measure each aircraft against that standard, and that is a reasonable standard that does not exclude large numbers of airplanes, it probably could do it, depending on whether it excludes so much of the universe of aircraft that it unreasonably interferes with interstate commerce.

I would defer on this issue more to the Secretary of Transportation and the Administrator of FAA, who have dealt with it in great detail. This aspect of the issue is one in which we are only peripherally involved.

Mr. **Anderson**. It would seem to me, from where I sit, that this whole area is quite unclear as to where we stand, I feel there should be a policy statement by someone in the administration, whether it is you, or the Secretary of Transportation, or someone who would delineate this policy, because to me it is very vague, and when I ask questions, it is not cleared up for me.

Mr. **Cohen**. Our concern, Mr. Chairman, from our responsibilities, is that whatever limit is made be a nondiscriminatory limit that relates to the issue that is under consideration; that if you are going to control noise, that the limitation that is put on really relate to noise. What is the precisely right limit, we have no particular expertise in. Within that limit, we are concerned that that scarce resource be allocated in a nondiscriminatory way, the resource being the right to make noise. That is our concern.

Mr. **Anderson**. Then you are, in a sense, inviting the local airport proprietor to come in with his own ideas, and then you are going to chop them down one at a time. You are going to have a continuation of Orange Counties and San Diegos, throughout the country, because you have not said what you felt they should be doing in the first place.

Mr. **Cohen**. I guess there are two aspects to that. One is what kind of ceiling do you use. That is the kind of thing that the FAA, I think, probably has more expertise on than we do, and that the communities have been working on for some years themselves.

Our particular area of some degree of expertise, I suppose, that we are now developing, too, is on the question of allocation, such things as variable landing fees, charging for the right to make noise, some kind of auction—those kinds of things. We are happy to sit down with communities and work with them, and we have offered to do so in a number of instances—to work with the local airport people to help develop their own way of dealing with this and dealing with it in a nondiscriminatory way.

I guess I am a little bit naturally suspicious about saying one uniform rule all over the country on things like this. I think there is a marvelous diversity in this country, and I think if local airport proprietors address the problem knowing what the national concerns are about preserving access and being nondiscriminatory in the process, that the diversity of their approaches is going to teach us all something. Some may work well; some may not work at all, and it is that diversity which will help us resolve these problems in a more intelligent way, I think, than if we from the Federal Government say, "This is the right—period—one way to do it." That one way to do it may be right; it may not be right. I would rather work with the local communities to help them take into consideration our Federal concerns, but to help them develop their solutions to their problems.

Mr. **Anderson**. Further questions?

[No response.]

Mr. **Anderson**. Thank you very much, Mr. Cohen, Ms. Schuman, Mr. O'Connor, for your presentation.

Mr. **Cohen**. Thank you, Mr. Chairman.

Mr. **Levitas**. Mr. Chairman?

Mr. **Anderson**. I am sorry. Mr. Levitas?

Mr. **Levitas**. I will not detain you much longer, but I think it is important, in light of your position on this, to go over the proposed language which, somehow, you think clarifies the situation.

You made reference to the provisions in the administration bill on page 78, particularly lines 1 through 12, and in particular lines 8 through 12. I have been reading these again and again, and I really do not see anything that is very clear in there. I mean, it says, for example:

> The owner or operator of each airport shall offer access to airport facilities within a reasonable time and upon reasonably competitive terms to all persons engaged in air transportation who seek to use them.

Presumably, if someone does not do that, the Secretary whips out his sledge hammer and does it himself.

Now, I do not see that that says anything to him as to what that means. Obviously, everybody who wants to use the facilities cannot. By definition, that is the problem. The problem is, everybody who wants to cannot. So, therefore, we are back to the problem of what do you do about it.

Mr. **Cohen**. Let us take Orange County, Mr. Levitas. Right now, there are two carriers using all the facilities. There are four other carriers who want to use them. They are not being offered at all to the four carriers who are interested on any terms at all.

Mr. LEVITAS. Is that not a violation of section 308 of the Federal Aviation Act?

Mr. COHEN. We think so.

Mr. LEVITAS. That is already in the law.

I do not mean to be contentious, and I think we are both working for the same result. I am simply suggesting that, A, I do not see any new guidelines, benchmarks, criteria which would guide either the airport operator, the carriers, the Secretary, the courts.

Mr. COHEN. I do not want to give Orange County an idea, but let me suggest, for instance—and maybe it is possible, and maybe it is not—when Laker Airways could not get into JFK, could not get counter space at JFK Airport, Laker, which was offering at that time perhaps the most competitive alternatives for low-fare transportation between New York and London, had to set up a ticket office somewhere in Long Island and then bus people to the airport. Because the statute now says "the navigation facilities and the landing area," perhaps Orange County could work up a scheme where Western and the other people who want to get in there put their offices somewhere else and bus people to the airplane; they never walk inside the terminal, and the bus carries the people and the luggage, and they say, "Well, we are complying with the law," and you never get access to the terminal. It is a fairly unusual means of doing business, I would think.

So all this does is make clear that we are talking about the whole airport and that it be made available on fairly competitive terms, and then the rest of this says—it does not just say that if you do not do it, the Secretary whips this hammer out of his back pocket, but it goes through a whole process.

Mr. LEVITAS. It also opens the courts up to solve the problems, even at the insistence of third parties, and you and your counsel have testified that the courts are not the best way to solve the problem anyway.

Mr. COHEN. The courts are already opened up to some degree—we are not sure how much. What this does is interpose the Secretary of Transportation between the aggrieved parties and the court system as an alternative way, and gives the Secretary an ultimate power which enhances his ability to work out the problem with the parties, and interposes this as a good alternative to the court system.

Mr. LEVITAS. We will send you a copy of that proposal for the access conference, and would welcome and appreciate any comments you might have on it.

Mr. COHEN. Thank you very much, Congressman Levitas.

Mr. ANDERSON. Mr. Roberts?

Mr. ROBERTS. No questions.

Mr. ANDERSON. Once again, Mr. Cohen, Ms. Schuman, Mr. O'Connor, thank you for being here.

Mr. COHEN. It was nice to be here, Mr. Chairman.

Mr. ANDERSON. At this time, we are very honored to have Hon. Neil Goldschmidt, the Secretary of the Department of Transportation, who will be accompanied by Hon. Langhorne Bond, Administrator of the FAA.

I do want to apologize for making you wait, but sometimes it is kind of uncontrollable here. We do have your statements; they will be made a matter of the record.

[Statements referred to follow:]

STATEMENT OF
HONORABLE NEIL GOLDSCHMIDT
SECRETARY OF TRANSPORTATION
BEFORE THE
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
SUBCOMMITTEE ON AVIATION
REGARDING
AIRPORT AND AIRWAY LEGISLATION
MARCH 27, 1980

Mr. Chairman and Members of the Subcommittee:

I am pleased to appear before you today to discuss pending legislation to provide for the continued safety and efficiency of our nation's airport and airway system. With me this morning are Langhorne Bond, Federal Aviation Administrator, Mort Downey, DOT's Assistant Secretary for Budget and Programs, Clark Onstad, FAA Chief Counsel, and Bob Aaronson, FAA Associate Administrator for Airports.

Mr. Chairman, my presentation this morning consists of three basic parts. First, I will address the tough financial and budgetary issues that all of us must face in the context of airport and airway legislation. The President and the Congressional leadership have been working hard on the budget over the last few weeks, and have developed a consensus on the need for budgetary restraint in virtually all Federal programs. This morning I will describe the increases that we propose over present program levels to meet the needs of aviation.

Second, I will outline our position on several important program structure issues. Of particular importance, I will describe why we do not support proposals to "defederalize" large and medium sized airports and explain why we continue to support a larger role for the states in the airport development program.

Finally, I will discuss some of the reasons why we continue to support legislation to ensure that airports are operated in a manner consistent with the procompetitive goals of the Airline Deregulation Act. This Subcommittee and the Administration have worked closely together on aviation competition issues, and I am confident that we can work together on the aviation competition issues that are before us today.

BUDGETARY AND FINANCIAL ISSUES

Fiscal Restraint

Mr. Chairman, the efforts of the President and the Congress to balance the budget and hold down Federal spending have dominated the front pages of our newspapers in the last few weeks. While those stories often focus on broad economic concepts, it is clear to us that the issues before this Subcommittee today are very much a part of that broader economic discussion.

Mr. Chairman, despite the critical need to hold down overall Federal spending, I am pleased to report to the Subcommittee that the Administration continues to support the program increases we proposed in H.R. 3745. On the other hand, the need for budgetary restraint is real, and we strongly oppose increases in program levels beyond those we have proposed.

However, before I make specific comments on the funding increases proposed in the bill developed by the Subcommittee, H.R. 6721, I'd like to make two very important points. First, the program levels proposed in the Administration and House bills differ as to the increases that would be authorized. In light of the fact that many other Federal programs that are being cut below present levels, I think it is significant that the Administration is proposing increases, not cuts in airport and airway programs.

Second, I want to assure the members of this Subcommittee that I am fully aware that the House bill was developed before the President announced his anti-inflation program. I know that all of us have been doing a lot of hard thinking about funding levels since then. So, while I am confident that the members of this Subcommittee share the national concern to hold down Federal spending, this morning I have no choice but to address the funding levels contained in H.R. 6721 as it was introduced on March 6.

Mr. Chairman, simply stated, we are very strongly opposed to the funding levels contained in that bill. Let's look at the proposed program levels for facilities and equipment and for airport development, including noise abatement. The House bill would exceed our proposal by roughly half a billion dollars in fiscal year 1981 alone, and by about 3 billion dollars over a five year period. These increases are substantially in excess of our proposed increases in program levels.

Further, as I said, our bill does call for increases in program levels. For example, the 1980 appropriation for new funds for facilities and equipment totalled $250 million. We have proposed an authorization of $350 million for 1981, or an increase of 40 percent. We think that this kind of growth, which exceeds that proposed for virtually all other Federal programs, reflects a strong commitment to the airport and airway system, particularly in these times of fiscal restraint. Additional increases would add fuel to inflationary fires, and this Administration will oppose inflationary bills.

Further, Mr. Chairman, I want to emphasize that the existance of a Trust Fund or the presence of a large surplus in that trust Fund does not justify failure to exercise restraint in spending. Inflation responds to Federal spending of any kind of dollar. Economic forces will respond as surely to Trust Fund dollars as to dollars from the General Fund.

In brief, Mr. Chairman, we are committed to meeting aviation needs and favor increases over present program levels. However, we are approaching this legislation fully mindful of the critical fiscal issues facing all of us in government today.

The Administration Bill

I'd like to turn now to a more specific discussion of the major budgetary and financial aspects of our bill. We believe we have set forth a program that will bring genuine progress toward achieving our common goals of maintaining an excellent safety record and providing more capacity. We would also provide for fundamental, but much needed changes in the way that the Trust Fund is financed and in the way these dollars are used.

Program Levels

In developing our legislative proposal, we very carefully examined how the individual programs should be funded. First priority went to capital investment. The five year program we have proposed would authorize nearly twice the expenditure that was authorized for the five years 1976 through 1980.

Congressional acceptance of the Administration's funding levels will not compromise safety since FAA's comprehensive operational procedures will remain in effect. These procedures take into account the kinds of facilities available at a given airport. FAA procedures are designed to and do provide a high level of safety throughout the system regardless of the facilities available.

As to the corollary question of capacity, the FAA has historically expanded the system to keep pace with air traffic demand. In the future, rather that build to accommodate demand, we would, if required, exercise our authority to control demand in a manner consistent with system safety and capacity. This is a tradeoff we are willing to accept given resource constraints, and we make the same kind of decisions regularly regarding other transportation modes.

Airport development grants would be funded at a gradually increasing level over the five year period. The total for the five years is about one and a half times the level of the 1976-1980 authorizations. This appears to be in line with projected development needs in the National Airport System Plan as corrected for sponsor's withdrawals and postponements.

We have also provided for increases in the research, engineering, and development (R,E&D) program. This is an area where we are continuously studying system needs, and we will keep Congress advised of our recommendations for appropriate levels of R,E&D funding. We have proposed a five year authorization because we believe that certainty in authorization levels over time facilitates program planning and continuity.

As I noted earlier, the funding increases proposed in the House bill are substantially higher than the increases we have proposed and, in these times of severe budget constraint, we strongly oppose proposals for massive increases in these programs. However, I'd like to offer a few additional observations about the House program levels.

First, it has been noted that inflation certainly affects the real purchasing power of program authorizations, but that is true for all programs, not just for aviation programs. Second, such massive increases may well be self-defeating in that they will add to inflationary pressures. Efforts to greatly increase aviation programs in response to inflation will put us in a situation not unlike Catch 22. The proper way to be sure aviation programs do not suffer because of inflation is the same way that we have to solve that problem for all of us--by concerted budgetary and fiscal actions to reduce inflation and ensure the effectiveness of all program dollars. Further, it must be remembered that increased capital expenditures also, inevitably, drive up total operations and maintenance costs.

Balancing Trust Fund Income and Expenditures

After having made independent judgments on the needs of the capital programs I just discussed, and after having provided for those needs, we took a close look at the Trust Fund balance. We believe that maintainence of a large Trust Fund balance is undesirable.

We felt, and continue to believe, that legislation should provide for reducing that balance to near zero without necessitating severe changes in tax collections or program expenditures. To accomplish this, we devised a proposal that we believed would result in a steady decline in the Trust Fund balance over the next ten years, but would leave a self-sustaining Trust Fund after the surplus is depleted. To draw the balance down more rapidly would require major changes when the surplus is eliminated. We would then have to consider either major tax increases or major decreases in program expenditures, and we would prefer more continuity in the program.

Let me be candid, however, and admit that since the time the Administration bill was developed our estimates of Trust Fund revenues have been revised upward. Because of these changed estimates and uncertainty as to the outcome of energy legislation, it is difficult to say with certainty that any particular set of proposals would have the same effect on the Trust Fund balance that we expected to result from enactment of our bill. However, we continue to believe in the basic approach we tried to follow and would be pleased to discuss specific alternatives with the Subcommittee with a view towards achieving the same objectives.

Trust Fund Financing of Operations and Maintenance

Let me turn now to our strong conviction that, as a matter of equity for the general taxpayers of this country, the Congress should provide for very substantial increases in the levels of operation and maintenance expenses (O&M) financed out of the Trust Fund. It is unfair to continue to ask taxpayers who don't travel by air, or ship by air, or fly aircraft, to pay for 85% of the FAA's operating expenses. Compared to our proposal, the House bill would provide for $5.7 billion less in Trust Fund operations and maintenance financing over a five year period, and it is tremendously important for us to work together to close that gap.

Part of the reason for this shortfall is the restrictive criteria for eligible O&M expenses set forth in section 5(f) of the House bill. This provision limits the use of the Trust Fund to the direct costs incurred for flight checking and maintenance of air navigation facilities, with maintenance costs limited to costs incurred in the field. This excludes the costs of engineering support and planning, direction, and evaluation activities, all of which we would make eligible for support from the Trust Fund. Further, even with this highly restrictive definition of the activities that can be funded from the Trust Fund, the O&M authorizations of H.R. 6721 would cover less than two-thirds of these limited costs.

First, I want to make it clear that our proposal to increase Trust Fund financing of O&M is not a proposal to increase program levels. FAA operating costs will be incurred whether they are funded from the Trust Fund or from the General Fund, and the Trust Fund generates sufficient revenues to finance these programs without compromising the capital programs we all support. So, we are proposing this change to achieve broader policy goals.

Mr. Chairman, the purpose of our O&M financing proposal is to obtain a more equitable recovery from system users of the costs of providing FAA services. While general taxpayers certainly benefit from the existence of a strong national system of airports and airways, there can be no doubt that the primary beneficiaries of that system are the pilots, passengers, and shippers who use the system. There can also be no doubt that the current system, which funds about 85% of FAA's O&M expenses from the General Fund, does not reflect that distribution of benefits.

Mr. Chairman, the average citizen has to rely on those of us in government to protect his interests in complex program settings like this. I think it is critically important, now more than ever before, that this Administration and this Congress work together in this bill to strike a blow for the average citizen, who has no idea that the structure of this program affects his or her pocketbook. I know that this Subcommittee is capable of that kind of leadership and we would provide you with the strongest possible support in any effort you would make to achieve this objective.

We do not propose placing the entire cost of the FAA's services on system users. Our bill would still require general taxpayers to finance approximately one-third of O&M costs. We believe this is a much more equitable and reasonable distribution of the financial burden.

As a final point relating to O&M and other program levels, we are disturbed by the limitation that would be placed on O&M funding by section 5(f) of H.R. 6721. That provision would require a reduction in O&M funding by twice any amounts authorized for F&E which are not obligated by the FAA in the fiscal year for which authorized. It is just not reasonable to anticipate that the FAA will obligate all of the F&E funds authorized in a given year in that fiscal year. For one thing, our F&E projects are fully funded appropriations. This means that, although an F&E project may last longer than one year, the funding for the entire project must be appropriated in the initial year. For a variety of reasons, the equipment necessary for a longterm project is often not available in the initial year, so that funds authorized for that project cannot be obligated in that year. A similar situation arises with construction projects.

The Appropriations Committees have recognized this and the Department's Appropriations Acts have provided for the carryover of F&E appropriations beyond the initial fiscal year of the appropriation. In fact, while previous Appropriations Acts provided for a three year life for F&E appropriations, Congress has recently recognized that even three years is too short for some projects and has provided for a five year life for the 1980 F&E appropriations, and extended the 1978 and 1979 appropriations to five years as well.

Congress has thus recognized that the entire F&E appropriations for a given year cannot be obligated in that year. Requiring a reduction in O&M funding from the Trust Fund equal to twice the unobligated F&E authorization fails to recognize the dilemma we face in obligating those funds and, in effect, penalizes the general taxpayer who is called upon to foot the bill for the remaining amount. We urge the Subcommittee to delete this provision from the bill as inconsistent with the way the F&E program works and as inconsistent with the need to relieve the burdens on the general taxpayer which I have already described today.

Aviation User Taxes

I recognize that the Subcommittee has chosen to defer consideration of any recommendations on tax issues until completing consideration of program issues. However, program and user tax issues are intimately linked and should be addressed in a coordinated manner, so I want to cover these issues today.

First, let me briefly outline how our tax proposals relate to our general approach to the Trust Fund. We have proposed maintenance of the present ticket tax levels as a means of furthering equitable cost distribution policies and assuring that both capital and operational programs can be met out of the Trust Fund. We oppose tax cuts that would preclude appropriate recovery of operations and maintenance costs from aviation system users.

Second, returning to overall fiscal policy considerations, this is not the time for significant tax cuts, as tax cuts will create inflationary pressures. Recognizing that present national fiscal needs do not argue in favor of tax cuts, I think it is clear that the only way to control the Trust Fund surplus, short of massive increases in capital programs, is to increase Trust Fund financing of O&M.

This discussion of overall tax considerations relates primarily to the issue of passenger ticket tax levels, since the ticket tax provides the dominant share of Trust Fund revenues.

We also believe there is a need for change in the structure of the other aviation user taxes. We developed these proposals not so much from a consideration of Trust Fund revenue needs, but from considerations of equity.

Specifically, we have proposed increased taxes on general aviation. We have recommended these changes because we believe that system users should pay a proportionate share of the costs of the Federal airport and airway system. Currently, aviation taxes collected from system users equate to nearly 60%, in the aggregate, of the costs allocable to civil aviation that are incurred by the FAA in equipping, operating, and maintaining the airport and airway system.

The users of commercial air service are paying amounts equivalent to about 90% of the costs incurred by the FAA in their behalf, while the comparable figure for general aviation is in the range of 10 to 18%, depending on certain assumptions used in the allocation of costs. Enactment of our proposed tax changes along with our proposed program authorizations for O&M would increase the level of recovery from general aviation to about 24 to 44%, again depending on certain allocation assumptions. Recovery from the users of commercial aviation would be in the 95% range. Though the general aviation users would still be paying a much smaller share of the FAA costs attributable to them than would the users of commercial air service, the gap would not be as great, and thus would represent more equitable treatment of all system users. If, however, current taxes were not changed and the program levels contained in H.R. 6721 enacted, recovery from air carrier users would remain in the 90-100% range, but would drop to 8-9% for general aviation.

Let me also make clear that general aviation really does place demands on the system. The growth rate of general aviation continues to substantially exceed the growth rates of all other system users. General aviation planes are becoming increasingly sophisticated, are often used for business purposes, and are more and more frequently able to use the allweather capability of the facilities purchased with Trust Fund revenues. As general aviation increases its utilization of our system, it is fully appropriate that we increase GA's contribution to the financing of the system, and we have proposed tax changes to accomplish that end.

These tax changes are not expected to be a major burden upon general aviation, but will provide a simple recognition of the level of general aviation demand for Federal aviation services and the concommitant share of costs of that use by general aviation aircraft. We recognize that an effort to achieve 100% cost recovery would certainly have an adverse affect on general aviation but we do not favor or propose such an approach. Ours is a very moderate proposal, again based on notions of tax equity which are important to our system of government.

DEFEDERALIZATION OF AIRPORTS

Clearly, the most significant program structure issue facing us in this legislation is the proposal initiated in the Senate which would "defederalize" many large airports. Specifically, "defederalization", as proposed in S. 1648, would remove the 72 largest airports in the U.S., plus any others so electing, from eligibility for Federal airport grants after a short transition period.

All of us are aware that this proposal could engender significant program savings, but, on the basis of our continuing review of the implications of this proposal, we do not favor "defederalization."

I'd like to spend a few minutes outlining some of the things we've learned from our review of the issue.

Impact on Airport Financing

In the absence of ADAP grants, defederalized airports would need to find new sources of revenue, or increase their collections from existing sources, in order to finance necessary capital improvements. Many of these airports would have difficulty and would require a new source of funds if development to meet needs arising from traffic growth. In addition, environmentally related development is likely to be arrested in many instances.

Renegotiation of fees, through "balanced negotiations" between the airports and the airlines, has been cited by defederalization proponents as a solution, but there are several problems with this approach. Many of the airports that would be defederalized have some type of contractual impediment in their long term use agreements with the airlines which, prior to their expiration, would restrict their ability to increase fees to offset the loss of Federal funds. Even where fees can be renegotiated, contractual agreements between the airlines and the airports may give the airlines veto power over certain types of development (e.g., land acquisition for noise abatement, capacity improvements to accommodate new or expanded service) that would not benefit them directly.

Further, we are not convinced that a 'parasitic" business relationship exists between airlines and airports, which will assure balanced negotiations between them adequate to meet all valid financial needs of an aiport. Airlines can be expected to act to maximize their benefit, or profit, from a given airport. Today the competition for capital assets in both the private and public sectors is very keen. Resources are committed to those locations and facilities where there is the highest probability of the greatest return Often the view of an airline might not coincide exactly with meeting long term needs identified by an airport from its perspective perspecitve as a public service agency. For example, purchase of land is a signficant cost item for many airports and, from an airlines' perspective, expenditures on long-term items like land may appear relatively unattractive compared to such alternative uses of corporate funds as purchasing additional or upgraded aircraft. Similarly, major airlines can't be expected to show great enthusiasm for other projects that may not have a tangible payoff for them, such as general aviation runways and gate and ramp space for new entrants.

Further, in the newly deregulated environment, we don't believe that airlines are as likely as before to want to enter into long term contracts with airport operators. Carriers are no longer as certain of their long term committments to markets and this, too, casts doubt on the scenario envisioned by the proponents of defederalization.

Clearly, each major airport situation is different, and we do not pretend that these concerns are equally applicable to all situations, but the concerns are real.

Relation to Reliever Airports

Mr. Chairman, we are also concerned that defederalization would have an adverse affect on our efforts to develop a national system of reliever airports.

Inherent in the idea of a "reliever" airport is that it provides an alternative to another, usually larger airport. Developing a system of effective reliever airports involves both capital and operational decisions.

This Subcommittee has recognized this concept in following our recommendation to apportion funds to "primary hubs". The primary hub approach stands for the proposition that all of the airports in a metropolitan area are related, and that, to make most effective use of our resources, we must look at the capacity of all of the airports in an area, not just individual airports.

We have serious reservation as to whether we could give life to this approach under defederalization. Further, because of the Federal role in encouraging planning, I think it will also make it harder for local authorities to deal with these multi-airport issues.

Simply, we are talking about a national system of airports and ways of administering Federal programs for that system. We are very concerned that defederalization will limit our ability to continue that approach in a truly effective way.

Airports Serve a Public Function

Some broader public policy considerations are also important.

First, we are not convinced that it is sound public policy to require airports to rely as extensively on airlines to generate development funds as is contemplated by the defederalization proposal. We do not consider airports to be solely businesses. They are publicly owned and operated facilities in which there is a substantial public interest involved in the provision of capacity and service.

Further, if airports do not receive Federal development aid they might have to look to local governments for some funding support. This is undesirable inasmuch as the large airports -- with the aid of federally collected user funds -- have been able to pay their own way without burdening local governments in recent years. We are reluctant to put this kind of financial pressure on local governments and, unlike proponents of defederalization, we are not convinced that enough new revenue will be generated from the airlines to obviate the need for assistance to airports from local government sources.

There is also a tax equity issue. Barring very significant changes in the structure of aviation user taxes, the bulk of Federal user taxes would continue to be collected at the large airports. The arguments for defederalization would have to be much stronger than they appear to us today before we could consider denying Federal development assistance to the airports whose existence would continue to cause most of our user tax revenues to be collected.

Other Concerns

We have looked closely at other aspects of the defederalization proposal and have a number of other concerns. For example, we are concerned that defederalization could reduce the amount of airport planning that is conducted. We also are concerned that national pursuit of certain civil rights, environmental, labor and other objectives associated with Federal programs could be weakened. While I do not suggest that Federal programs should be established for the purpose of pursuing other important objectives, I think we must give weight to these considerations in a case like this, where the arguments for defederalization are hardly unassailable.

Summary on Defederalization

So, there are a number of factual, programmatic and philosophical reasons why we do not support defederalization. First, we are not convinced by proponents' contentions that there will not be significant airport financing difficulties in the absence of ADAP grants, particularly for the smaller of the airports that would be defederalized by the

Senate bill. Further, we are mindful of other programmatic implications. Defederalization could very well undermine our approach to the reliever airport issue. Planning, environmental, labor and civil rights policies are also of concern. Finally, some weight must also be given to the general public service function of these airports and their dominant role in generating Trust Fund revenues.

So, we have made a thorough examination of the proposal to "defederalize" airports. We have a number of serious problems and concerns and we haven't found answers to them. If the proponents of federalization have answers, we'll look at the answers they propose. However, as I said, the concerns I have just outlined are very serious ones.

OTHER PROGRAM STRUCTURE ISSUES

Increased State Role

As you know, unlike both the House and Senate bills, the Administration's bill contains a proposal for allowing optional participation by qualified states in the administration of grants for small airports that are not part of primary hubs. We believe this is a key provision for increasing local decision-making and reducing Federal involvement in the administration of the airport grants program. Placing grant funding decision-making for these airports at the state level would lead to an airport and airway system more responsive to state and local needs. It would not add a new level of bureaucracy; it would merely substitute State for Federal administration. There is ample support for this proposal among the airports which would actually be affected by it. I would like to emphasize that the larger airports, which have strongly opposed this proposal, would not be affected by it at all. Therefore, we continue to support our proposal for optional participation by qualified states in the administration of grants for certain small airports. Further, the program would not put any airport within a participating state at a disadvantage because each airport would have the option of becoming a part of the state's program or continuing to deal with the FAA on an individual project basis.

General Approach to Development Grants

I am pleased to note that, except for the state role issue I just discussed, and the House bill's proposal to establish a categorical noise abatement program, the basic approach to the airport development program found in the House bill is very similar to that of our own bill. In particular, we are pleased that the bill would adopt our proposed air traffic hub program. We feel that this is the best approach to the increasingly important need to enhance the development of reliever airports, as well as an excellent means of achieving increased local decision-making and, over time, reducing the Federal role in administering airport development.

Funding for Aviation Noise Programs

One area in which we strongly disagree with the House bill, is in its proposal to establish a separate authorization for noise projects in addition to the program for airport development.

Our approach to this issue has been to expand the definition of airport development to include various noise abatement projects. In particular we would make the acquisition and installation of noise suppression and noise monitoring equipment eligible for funding. Similarly, the soundproofing of certain public facilities such as hospitals and schools would be made eligible for funding as airport development projects.

These noise projects would compete for funds along with other airport development projects, and I think this is appropriate. The depth of concern over aviation noise vis a vis the need for other aviation projects varies greatly from city to city. We would let the local governments decide how they would set their funding priorities. To earmark such a large percentage of airport funds for noise purposes would distort local decisionmaking. However, we do fully intend to pursue noise projects and I would hope that the Subcommittee could reconsider the merits of our approach. Further, the funding levels we have prescribed for the airport grants-in-aid program are sufficient to provide funds for necessary noise projects. We see no need to set aside a separate authorization for noise projects, particularly the $900 million authorization proposed in H.R. 6721. Establishment of such a large program runs contrary to the Administration's budgetary objectives, and will add to inflationary pressures.

Lastly, the large and authorization prejudges the study that is required by the noise bill which the President so recently signed into law. Section 108 of that law requires the Department to complete by next January a study regarding the effectiveness of the programs to reduce noise that are authorized by that law. It is far, far too early to say what the results of those programs will be and, particularly in this time of fiscal restraint, we strongly oppose such a large expansion of that untested program.

Federal Share of Project Development Costs

H.R. 6721 would continue at 90% of the Federal share for certain development projects. Ninety percent funding was just recently established by the noise bill. We oppose 90% Federal funding. The 80% funding level has worked well in the past. It has provided for substantial Federal assistance to airport operators, yet it has required enough of a financial commitment from the operators themselves to ensure that the airport operators have thoroughly considered the need for the project as well as the appropriate means for carrying it out.

Further, this provision is also related to overall funding levels. Ninety percent financing will result in fewer projects, but funded with higher Federal shares. A Federal share of 80 percent will enable the FAA to fund a larger number of projects and meet more needs. This is particularly important considering the need to hold down overall program levels and make them go as far as they can.

Five Year R,E&D Authorization

With respect to Research, Engineering, and Development (RE&D), H.R. 6721 would provide for only a one year authorization, instead of the five year authorization levels we have proposed. A strong R,E&D program is essential for the continuing development of a safe and efficient airport and airway system. It is also essential to keep the American aviation industry at the forefront of the world market. As the Subcommittee is fully aware, the aviation industry contributes positively and substantially to the country's balance of trade.

A reasonable assurance of adequate long-term funding is important to the viability of our aviation R,E&D program. The very nature of R,E&D work requires continuity, the ability to rely on the availability of funds in the future to sustain on-going research. A one-year authorization for this program could prove disruptive to that continuity, and could impair the planning of long-range projects. which are often the most productive in terms of ultimate results obtained. We urge the Subcommittee to continue the current practice of 5 year funding for R,E&D.

Stronger Enforcement of Aviation Safety Rules

In this discussion of program structure issues, I think it important to remember that legislation to facilitate effective program administration can often have an even greater and more rapid impact on safety than the funding levels of capital programs. In particular, I think we all share the view that one of the ways to assure aviation safety is to assure compliance with aviation safety rules.

An important way in which the Members of this Subcommittee can let it be known that they support a tough enforcement posture to promote aviation safety is to seek early action on a legislative initiative which we have recently forwarded to the Congress. That proposal does two things that will go far towards promoting an increased concern for compliance with our safety rules.

First, it would increase the maximum civil penalty for a violation of the Federal Aviation Act of 1958, or regulations issued thereunder, from $1,000 to $25,000. The present $1,000 level has been in effect since 1938. What used to be a severe economic deterrent has now eroded to the point where it can easily be accepted by an operator as a "cost of doing business."

Second, the legislation calls for criminal sanctions for violations of title VI of the Federal Aviation Act of 1958 or regulations issued thereunder. This would have the effect of providing criminal penalities for violations of the FAA's safety regulations. Under present law, persons committing flagrant aviation safety violations endangering human life can only be subjected to civil penalities, while the same kinds of dangerous activities in an automobile, for example, would be prosecuted criminally. This is inappropriate and should be changed.

I will not spend a great deal of time on this proposal today. Administrator Bond discussed it in depth in a recent hearing before the Oversight and Review Subcommittee. However, I want to reemphasize our committment to strong safety enforcement and our view that enactment of that proposal would enhance the safety of the travelling public. We would be very pleased if the Committee would place that proposal on the same schedule as airport and airway legislation.

FAIR ACCESS TO AIRPORTS

Before closing, I'd like to turn to the very real problem of ensuring fair access to our country's airports, particularly the problem of allocating access among prospective users when limitations on capacity so require. We consider this to be an important issue, and we appreciate the Subcommittee's invitation to address this matter.

There are two basic factors that have made airport access an important issue which should be addressed by the Congress. First, the Airline Deregulation Act of 1978 created a new era for our air transportation industry; an era in which the consumer has benefited from increased competition among the major airlines and the availability of a whole range of new services from the growing commuter airlines. But at the same time that we have sought to foster a competitive environment for airlines, capacity and noise problems at many of our nation's airports have worked against attaining freer competition. In short, most of our airports are monopolies within the geographic areas they serve. As those airports become congested, it can become increasingly difficult for new airlines to serve those airports.

We're at a point today where it is becoming increasingly difficult to build new airports or even to add runways. This limitation applies to different areas for different reasons or combinations of reasons. Environmental, land-use, and geographical constraints can all act to limit expansion.

Further, under deregulation traffic has increased, as has the number of larger carriers and commuters seeking to enter new markets. The larger carriers have tended to concentrate services into major hubs. At the same time, the commuters need access to these hubs and surrounding airports to take up the slack. This increasing strain on airside capacity, which is most evident at larger airports during peak hours, is further compounded by the clearly finite nature of groundside resources. Ramps, counter space, and other groundside facilities have to be available to a new market entrant or the ability to gain airside access has little or no value. Capacity and noise problems have also begun to spawn potential conflict between general aviation and commuter/air carrier needs.

Therefore, we are faced with a tough situation, in which something ultimately will have to give at the more congested airports. At these airports, the simplest thing for an airport operator to do--thus making it a tempting solution--is to deny access to those seeking market entry in favor of continued service by those already using the airport and its facilities. However, if this happens, the consumer would clearly be the loser. Such an approach stifles competition and the anticompetitive nature of such actions would vitiate the procompetitive intent of the Deregulation Act.

It is also worth mentioning that, to the extent local actions are allowed to impede access for new entrants--particularly foreign carriers--to our international gateway airports, U.S. Government efforts to implement the procompetitive policy embodied in the recently enacted International Air Transportation Competition Act of 1979 could be impaired. Our ability to secure valuable new opportunities for U.S. carriers in foreign markets depends to a great extent upon the quality of the opportunities which we are able to offer in return. Similarly, our ability to encourage the introduction of new international services at new gateway cities may depend to a significant extent upon airport accessibility. For these reasons also, there is a need to ensure that finite groundside facilities are allocated among users in a way which does not discriminate inequitably against new entrants.

I don't want to suggest there are any "bad guys" in this cast of characters, because we find most people are tyring hard to find solutions to such problems, but I do want to highlight the pressures that may bring about an undesirable result. For example, the largest carriers typically help the airport operator in maximizing revenues--this relationship can work against the commuters. At the same time, though, an aiport operator who wants to bring in a new airline offering new service--whether it be a large certificated carrier offering discount fares or a commuter--may find all the ticket counters and other space tied up by existing lease arrangements. To compound this, pressures for reduced noise have frequently constrained growth. Sometimes they have set the stage for airport operators to deny new access unjustly or to impose unwarranted demands on new entrants not similarly imposed on incumbent carriers.

In theory, these airport access problems can be solved simply by requiring airport operators to provide fair access on reasonably competitive terms. In practice it's not so simple, and we've got to be concerned with our ability to address all the "real life" situations that can occur.

Our legislation contains provisions to enable us to deal with the real life situations. I want to emphasize that what we are seeking is essentially "standby" authority. Often, the mere existence of authority helps keep a situation from worsening. In fact, our present posture on airport access has already had some beneficial effects. We are seeing some movement toward short-term leases between airport operators and carriers; as well as the withdrawal of unjustly discriminatory entry requirements and even the lifting of a ban on new entrants.

In our bill, we have proposed strengthening the existing provisions in the Federal Aviation Act of 1958 which prohibit the granting of exclusive rights at airports by adding language which would require airport operators to provide access to new entrants within a reasonable time and on reasonably competitive terms. This is intended to reinforce the competitive thrust of the Airline Deregulation Act and U.S. international aviation policy and to establish an express statutory right of reasonable access to airports for new entrants. It also provides an impetus for ensuring that essential air transportation is maintained, and offers leverage to airport operators in dealing with carriers serving their airports.

We recognize that the combination of increased aviation growth, increased competition and limitations on airport expansion will almost certainly produce situations in which prospective new entrants will not receive fair access. Therefore, we have proposed a statutory framework under which those persons who believe they have been unreasonably denied access may file a complaint with the Secretary or, under certain circumstances, seek injunctive relief in Federal district court. We believe it is important to provide a statutory remedy for aggrieved persons to seek enforcement of their statutory rights. Further, this approach is entirely consistent with the competitive approach to issues of economic regulation in aviation, because it would place a significant enforcement tool in the hands of competitors in the marketplace and would greatly assist and focus any enforcement efforts by DOT.

Our proposal also deals with the problem of groundside capacity by giving the Secretary the authority to modify or rescind contractual agreements between airport operators and carriers. To the extent that available groundside facilities have been allocated among existing carriers, particularly if by longterm leases, it can become extremely difficult for prospective new entrants to obtain ramps, gates, counter space, and the like. We took a look at a number of existing agreements which could constrain the availability of groundside resources in the future. I'd like to highlight some of those findings.

One significant thing we found was that, of the 27 agreements we looked at, the average length of the agreements was 25 years. The agreements we studied usually gave the carriers exclusive use of ticketing, baggage, holding lounge, and ramp areas. Only a few of the agreements provided for space which may be used by a second carrier if the first carrier is not using it. This arrangement usually applied to gates, ramps, and jetways. So it's readily apparent that much of the groundside facilities are legally tied up and will be for an extended period of time. Consequently, the success that new entrants to markets have had to date in terms of obtaining groundside facilities has generally resulted from voluntary inter-airline subleasing and from airport management receiving the cooperation of the airlines. As long as that spirit of voluntary cooperation on the part of the airlines holds up, we may not experience serious problems of access to groundside facilities. But we have no assurance of continued cooperation in the future, and we don't think we should wait to see if serious problems develop before readying ourselves to be able to deal with them. For that reason, we believe it is important for the Congress to provide the Secretary of Transportation with standby authority to make necessary modifications to leases should the need become critical.

We have also proposed in our legislation that the Secretary be provided statutory authority to develop and administer a system of allocating slots at airports where airside or groundside capacity forces a limitation on the number of flights. The Subcommittee is aware that we already have in place a limitation on the number of aircraft opeations at four of our country's busiest airports--JFK, La Guardia, Washington National, and O'Hare. It's significant to note that at those airports, with the exception of La Guardia, system delays have not increased at the same pace they have at other major airports in recent years. Therefore, the limitation of operations has proved beneficial at those airports both from the perspective of system safety and system delays.

Our proposal to deal with the need to allocate slots in the future would establish a statutory framework under which the Secretary would prescribe regulations within which new entrants to an airport could fairly compete for slots. There are a variety of ways in which such a system could be established, auctions being one example, though no one solution stands out at present. The thrust of the proposal is to reinforce the Department's existing authority to limit operations to deal with airside congestion, to explicity provide that this authority may take into account congestion on the ground, and to assure that competitive factors and the maintenance of essential air service to small communities are considered in allocating slots among existing carriers and new entrants.

As the Subcommittee is aware, the system of allocating slots presently in use at the four airports in which there has been a need for such allocation, calls for airline scheduling committees, operating under an antitrust exemption granted by the CAB, to allocate the pool of slots among the carriers using the airport and those seeking to use the airport. This system, requiring unanimous agreement of the committee members, has worked satisfactorily thus far, though it has become more difficult for the committees to reach agreement on slot allocations as more airlines have sought entry to the affected airports. A case in point is our own National Airport. On the most recent go round there, the scheduling committee met in late January without resolving the slots issue at National, and had to reconvene for thirteen additional days in February and March before reaching agreement.

If the system has worked reasonably well to date, the logical question for the Subcommittee to ask then is: why is there a need to set up a new system to be administered by the Government? I think the answer is twofold. For one thing, I don't think that a system which is to be based on competition, as our airline industry is, should permit those very same competitors to decide the fate of other competitors who seek market entry. I believe you will find that this view is shared by officials of the Civil Aeronautics Board and of the Department of Justice who, in accordance with the Airline Deregulation Act, will ultimately be given the authority to grant or deny antitrust exemptions for scheduling committees. The second point I would make, which parallels my concerns over groundside access, is that we should not wait for serious problems to develop within the system before taking reasonable steps to be ready to deal with the problems when they do occur.

I am aware that the Subcommittee is interested in looking into the issue of whether the authority to proscribe and allocate slots should be vested in airport operators or in the Department of Transportation. I feel strongly that the Department should be given the authority to establish such regulations as may be necessary to ensure that any local approach is consistent with national aviation objectives. Foremost in my mind is that fact that we have a national air transportation system dependent upon a national system of airports and airways. What happens at one airport frequently impacts upon other airports in the system. In order to minimize delays, as well as to maintain aviation safety levels, limits on aircraft operations must be viewed from a national perspective. For example, permitting individual airport authorities to prescribe limits on aircraft operations in the absence of Federal guidelines might reduce delays at specific sites but at the cost of even greater delay at other points in the system. Moreover, the Secretary of Transportation is the only official with sufficiently broad authority to meet the needs of the whole system. The Secretary is able to adjust air traffic control procedures, fund additional reliever airports, and make other decisions with important implications for the system. It is appropriate that the Secretary be able to coordinate airport access authority with these other authorities. That airport access issues can impact on international flights and foreign air carriers also argues for a Federal role.

In closing this discussion of airport access, Mr. Chairman, I would reemphasize that the problem is coming on line quickly. Air traffic and competition are increasing and expanded capacity is not going to be a readily available solution. While we are not wedded to the exact language or approach that we have set forth in our legislation, we do believe it is important to act to meet the challenge presented by the trends we have noted, and we look forward to working with the Subcommittee to develop a mutually acceptable solution to this problem.

Summary and Conclusion

Mr. Chairman, in sum, my major points today are as follows:

1. **Fiscal Restraint**

   Aviation is important, and the Administration continues to support increases over present program levels, but we are strongly opposed to massive increases in capital programs and an increased Federal share such as proposed in H.R. 6721.

2. **Increases in Trust Fund Financing of O&M**

   Increases in O&M will have the important benefit of placing a much more appropriate share of the costs of providing services on those who actually use the system, rather than on the general taxpayer. Further, at a time when budgetary concerns makes it unrealistic to expect significant tax cuts or massive increases in capital programs, increasing Trust Fund financing of O&M is the best way to control the Trust Fund surplus.

3. **Defederalization**

   We remain unconvinced of the arguments for defederalization of large and medium sized airports and continue to support the program structure proposed in our bill.

4. **Airport Access**

   We believe that the need for legislation in this area is clear, but that it will become even clearer as present trends continue.

Taking all of these issues together, it seems that all of us have a lot of work to do to ensure the enactment of an airport and airway bill that is responsive to today's needs. I assure you that this Administration stands ready to work with this Subcommittee to ensure the enactment of such legislation.

This concludes my statement, Mr. Chairman. At this time my associates and I would be pleased to answer any questions that you and the other members of the Subcommittee may have.

Mr. Anderson, please proceed.

TESTIMONY OF HON. NEIL GOLDSCHMIDT, SECRETARY, DEPARTMENT OF TRANSPORTATION, ACCOMPANIED BY HON. LANGHORNE M. BOND, ADMINISTRATOR, FEDERAL AVIATION ADMINISTRATION; MORTIMER L. DOWNEY III, ASSISTANT SECRETARY FOR BUDGET AND PROGRAMS, OFFICE OF THE SECRETARY, DEPARTMENT OF TRANSPORTATION; CLARK H. ONSTAD, CHIEF COUNSEL, FEDERAL AVIATION ADMINISTRATION; AND ROBERT J. AARONSON, ASSOCIATE ADMINISTRATOR FOR AIRPORTS, FEDERAL AVIATION ADMINISTRATION

Mr. GOLDSCHMIDT. Mr. Chairman and members of the subcommittee, no apology is needed. I have followed your discussions with considerable interest and have learned a great deal. Some of these matters, I am sure, will come up in my appearance in front of the committee as well.

I am pleased to appear before you today to discuss pending legislation to provide for the continued safety and efficiency of our Nation's airport and airway system. With me this morning are Langhorne Bond, Federal Aviation Administrator; Mort Downey, Department of Transportation Assistant Secretary for Budget and Programs; Clark Onstad, FAA Chief Counsel; and Bob Aaronson, FAA Associate Administrator for Airports.

As you noted, I am submitting a more comprehensive statement for the record, but I want to address three very basic concerns this morning.

In response to the leadership exercised by the President and Members of Congress, we have now reached a consensus on the need to reduce Federal spending. At the outset, I would like to discuss these budgetary concerns and our continued commitment to meeting safety needs in this environment. In addition, I would like to describe some of the serious problems we have with the current proposal to defederalize large airports.

First, budgetary and financial issues: With respect to funding levels, it is clear that the budgetary issues pending before this committee today are very much a part of the broader efforts of the President and of Congress to reduce Federal spending. Before I make specific comments on the funding increases proposed in the House bill, however, I would like to make two points.

First, the administration bill and the House bill differ primarily in the amount that present program levels would be increased. There are other Federal programs that are being cut below present levels. I want to emphasize that the administration still proposes increases in airport and airway programs.

Second, I want to assure the members of this subcommittee that I am fully aware that the House bill was developed before the President announced his antiinflation program. I know that all of us have been doing a lot of hard thinking about funding levels in the past few weeks and we all share the national concern to hold down Federal spending. This morning, however, I must address the funding levels contained in the subcommittee's bill as it was introduced on March 6.

Looking at proposed authorizations for facilities and equipment and for airport development, including noise abatement, the House bill would exceed the administration bill by roughly half a billion dollars in fiscal year 1981 alone, and by about $3 billion over a 5-year period. The administration already has proposed increases reflecting our commitment to the airport and airway system and aviation safety. We believe the additional increases proposed in the House bill would only fuel inflation.

Furthermore, I want to emphasize that the existence of a trust fund or the presence of a large surplus in that trust fund does not justify failure to exercise restraint in capital programs. Inflation responds to Federal spending of any kind. Economic forces will respond as surely to a trust fund dollar as to a general fund dollar.

Mr. Chairman, we know that inflation affects the real purchasing power of program authorizations, but we must remember that this is true for all programs, not just spending for aviation programs. Massive increases in spending will be selfdefeating to the extent that increases add to inflationary pressures. Efforts to increase aviation programs in response to inflation will put us in a situation not unlike Catch-22. The proper way for all of us to be sure that aviation programs do not suffer because of inflation is the same way that we have to solve that problem for all programs—by concerted budgetary and fiscal actions to reduce inflation and to assure the effectiveness of all program dollars.

Turning now to the program levels in the administration bill, we have tried to achieve genuine progress in the area of capacity and safety by proposing $2.1 billion for facilities and equipment and $4 billion for airport development in the next 5 years.

With respect to meeting safety needs, I should say that in developing our legislative proposal, we very carefully examined how the individual programs should be funded. First priority went to capital investment and safety-related items. The 5-year program we have proposed would authorize nearly twice the capital expenditure that was authorized for the 5 years ending in 1980.

Congressional acceptance of the administration's funding levels will not compromise safety. This is not to say—and I want to emphasize this—this is not to say that additional capital investment would have no impact on safety or capacity. However, FAA's comprehensive operational procedures will remain in effect. These procedures take into account the kinds of facilities available at a given airport. FAA procedures are designed to and do provide a high level of safety throughout the system regardless of the facilities available.

As to capacity, the FAA has historically expanded the system to keep pace with air traffic demand. In the future, rather than build to accommodate demand, we would, if required, exercise our authority to control demand in a manner consistent with system safety and capacity. This is a tradeoff we are willing to make, given resource constraints, and we make the same kind of decisions regularly regarding other transportation modes.

I think it is also important to remember that program administration can have an even greater impact on safety. In particular, I think we all share the view that one of the ways to ensure aviation safety is to ensure compliance with aviation safety rules.

An important way in which the members of this subcommittee can let it be known that they support a tough enforcement posture to promote aviation safety is to seek early action on another bill which we forwarded to the Congress. That proposal does two things that will promote compliance with our safety rules: It increases civil penalties and criminalizes some safety violations.

I will not spend a great deal of time on this proposal today, as Administrator Bond discussed it in depth in a recent hearing before the Oversight and Review Subcommittee. But I do want to make it clear that we would be very pleased if the committee would place that proposal on the same schedule as airport and airway legislation.

Next, defederalization of airports: Clearly, the most significant program issue facing us today is the proposal initiated in the Senate that would "defederalize" many large airports. On the basis of our continuing review of the implications of this proposal, we do not favor defederalization, and I would like to spend a few minutes outlining some of the things we have learned from our review of the issue.

First, the impact on airport financing: Without airport development grants, defederalized airports would need to find new sources of revenue, or increase their collections from existing sources, to finance necessary capital improvements. Many of these airports will have difficulty meeting capacity needs arising from traffic growth and will have greater difficulty meeting environmental demands.

Proponents of defederalization have cited "balanced negotiations" between the airports and the airlines as a solution, but there are several problems with this approach. Many airports have contractual impediments in their long-term use agreements with the airlines that would restrict their ability to increase fees to offset the loss of Federal funds. Even where fees can be renegotiated, contractual agreements between the airlines and the airports may give the airlines veto power over development that would not benefit them directly.

Airlines can be expected to maximize their benefit, or profit, from a given airport, but they can hardly be expected to share the concern for the long-term needs identified by the airport. In a deregulated environment, we do not believe that airlines are as likely to want to enter into long-term contracts with airport operators as they once were. Carriers no longer make long-term commitments to markets, and this casts doubt on the scenario envisioned by the proponents of defederalization.

Clearly, each airport situation is different, and we do not pretend that these concerns are equally applicable to all situations, but the concerns are real.

We are also concerned that defederalization would have an adverse effect on the development of reliever airports. In following our recommendation to apportion funds to primary hubs, this subcommittee has recognized that groups of airports in metropolitan areas are related. To use our resources most effectively, we should be examining the capacity of all of the airports in an area, not just individual airports.

We seriously doubt that we could give life to this program under defederalization. Because of the Federal role in encouraging planning. I think it will also make it very hard for local authorities to deal with these issues.

We do not consider airports to be solely businesses either. They are publicly-operated facilities in which there is a substantial public interest involved in the provision of capacity and service. If airports do not receive Federal development aid, they might have to look to local governments for funding support. This is undesirable, inasmuch as the large airports, with the aid of federally-collected user funds, have been able to pay their own way without putting any burden on local government in recent years. We are reluctant to put this kind of financial pressure on local governments. Unlike proponents of defederalization, we are not convinced that enough new revenue will be generated from the airlines to eliminate the need for local governments to provide assistance to airports.

Finally, there is the issue of tax equity. The bulk of Federal user charges are, in fact, collected at the large airports, and it is difficult to consider denying Federal Government assistance to the airports whose existence allows us to collect most of our user tax revenues.

Defederalization could also reduce the amount of airport planning that is conducted, planning both with other communities in the area and other governments in the area. Civil rights, environmental and labor policies associated with Federal programs may be weakened. While I do not suggest that Federal programs should be established for the purpose of pursuing these objectives alone, I think we must give weight to these considerations in this process as well.

Let me now turn to trust fund financing of operations and maintenance. It is our strong conviction that, as a matter of equity, the Congress should provide for very substantial increases in the levels of operations and maintenance expenses financed out of the trust fund, and this is not a new speech on behalf of this administration.

Our proposal to increase trust fund financing of operations and maintenance is not a proposal to increase program levels. The FAA will incur operating costs whether they are funded from the trust fund or from the general fund. Our proposal to increase operations and maintenance is not a threat to the capital programs that enhance system safety and capacity. We believe that the user tax revenues should fund capital programs first, and only afterward should operations and maintenance be funded. The trust fund has sufficient resources to finance these programs without compromising the capital programs which we all support.

While general taxpayers certainly benefit from the existence of a strong national system of airports and airways, undoubtedly the primary beneficiaries of that system are the pilots, passengers, and shippers who use the system. We have estimated that, at present, general taxpayers pay for about 85 percent of these operations and maintenance costs, while aviation users pay for about 15 percent of these costs.

Mr. **Anderson**. Mr. Secretary, we are right in the middle of a vote and we are running a little late. We should recess for about 10 minutes and break at that point. We will come right back and pick it up where you left off.

We will stand in recess for 10 minutes.

[Whereupon, a brief recess was taken.]

Mr. **Anderson**. The meeting of the subcommittee will come to order. As we resume to vote, the Secretary was in the middle of his remarks. I want to say that it is not easy to interrupt the Secretary when he is moving. It is like getting in front of an ongoing train, and I did not know how to break in there. [Laughter.]

Mr. **Anderson**. You pick up wherever you wish, Mr. Secretary.

Mr. **Goldschmidt**. Thank you, Mr. Chairman.

The average citizen has to rely on those of us in Government to protect his interest in complex program settings. I think it is important that this administration and this Congress work together on this bill to strike a blow for the average citizen, who has no idea that the structure of this program affects his or her pocketbook. I know that this subcommittee is capable of that kind of leadership, and we would provide you with the strongest possible support in any effort you would make to achieve this objective.

We do not propose that the system users should bear the entire cost of the FAA's services. General taxpayers would still finance approximately one-third of the operation and maintenance costs under our bill. We believe, however, in a much more equitable distribution of the financial burden.

The same concerns about equity also extend to our tax proposals. As general aviation users increase their utilization of our system, it is appropriate that we increase their contribution. We believe that system users should pay a proportionate share of the costs of the Federal airport and airway system. The users of the commercial air service are paying amounts equivalent to about 90 percent of the costs incurred by the FAA on their behalf. The comparable figure for general aviation is in the range of 10 to 22 percent. Enactment of our proposed tax changes would substantially increase the amount paid by general aviation users.

Funding for aviation noise programs: We also disagree with the proposal in the House bill which would establish a separate authorization for noise projects. By contrast, we would expand the definition of airport development to include noise abatement projects. This way, noise projects compete for funds along with other airport development projects, and I think it is appropriate to let the local governments decide how they would set their funding priorities.

Further, the large authorization in the House bill prejudges the study required by the noise bill which the President recently signed into law. The noise bill requires the Department to complete a study of programs to reduce noise by next January. It is too early to say what the results of that study will be and, particularly in this time of fiscal restraint, we strongly oppose such a large expansion of an untested program.

Airport access: The combination of growth, increased competition and limitations on airport expansion will almost certainly produce situations in which prospective new entrants will not receive fair access. Therefore, we have proposed a statutory framework under which those persons who believe they have been unreasonably denied access may seek redress. Our legislation contains provisions that enable us to deal with the real-life situations associated with airport access.

I will not belabor this point any further, except to say that I followed your conversations with Mr. Cohen very closely, and while I have no particular concern about the manner in which this policy objective is achieved, we think that airport access is a legitimate concern which this Committee should address in the bill.

In closing this discussion of airport access, I would reemphasize that there is a need to act now. While we are not wedded to the exact language or approach that we have set forth in our legislation, we hope that you will act to meet these challenges, and we look forward to working with the committee to develop a mutually acceptable solution to this problem.

This concludes my statement, but I do bear one additional piece of news, Mr. Chairman, and that is that as of the Cabinet meeting this morning, we are authorized to talk about the specifics of the budget with which this committee would be concerned, and Mr. Downey and Mr. Bond and other members of the staff are available to take that matter up if the committee so chooses.

Thank you very much.

Mr. ANDERSON. Thank you, Mr. Secretary.

In your testimony, you indicate that you continue to support the funding levels proposed in your ADAP bill, H.R. 3745. Do you also intend to support the fiscal 1981 funding levels of H.R. 3745 before the Appropriations Committee, or will you be asking Appropriations to impose obligational ceilings and appropriation levels which are less than the authorizations of H.R. 3745?

Mr. GOLDSCHMIDT. Thank you, Mr. Chairman. I think this is a perfectly good place to begin, and I'd like to ask Mr. Downey to go into that in some detail.

Mr. DOWNEY. Yes, Mr. Chairman. As part of the overall anti-inflationary budget reductions, we would be asking the Appropriations Committee, in the case of the ADAP program, to place an obligation ceiling in fiscal 1981 that would be $50 million below the amount authorized in the bill for that program. Our bill requests a $700 million program level. We would ask instead for $650 million, which would be a hold-the-line approach with 1980. That $50 million of unobligated authority would carry forward and could be made available under congressional action in future years beyond 1981.

Mr. ANDERSON. What about F. & E. and safety?

Mr. DOWNEY. We propose no budget amendment with respect to F. & E. The authorizing bill that we have sent up calls for $350 million, as does our appropriation request, and we do not plan to change that. We would, also, in the case of the ADAP program, schedule the approval of grants during fiscal 1981 in such a way as to put most of the approvals towards the end of the year in order to reduce further the impact of outlays during that critical year when the Congress and the President are trying to balance the budget.

Mr. ANDERSON. So the F. & E. figure that you will be asking appropriations for will be $350 million?

Mr. DOWNEY. Yes, sir.

Mr. ANDERSON. Mr. Secretary, in your testimony, you state that your F. & E. proposals will not compromise safety since FAA will take account of any lack of facilities in establishing procedures.

Just to give you a picture as we see it, you're asking for only $350 million for F. & E., which to us means safety. The Senate bill is $400 million. Our bill is $525 million. The testimony the other day before this committee, Congressman Gibbons who is chairman of the Oversight Subcommittee of Ways and Means, who has been zeroing in on aviation safety is recommending $550 million. So, you're down there compared to the rest. It seems that this approach seems inconsistent with that recently taken by the NTSB before the Ways and Means Committee on February 13.

In his testimony, Chairman King pointed out that only 33 percent of the commuter airports have precision approach systems, and that a substantial number of commuter airports do not have visual approach slope indicators, VASI's; Chairman King went on to say, approximately 25 percent of the fatal commuter accidents occurred during the final approach segment of the flight, and while it is impossible to state conclusively that a precision approach facility, or a visual approach slope indicator would have prevented these approach accidents, it is the Board's belief that some type of flight path information for the final landing approach segment is a necessity, and this is particularly critical during the transition from an actual instrument approach to the final landing phase under visual conditions, as well as during less than favorable weather conditions, night or day; and the Board believes that VASI should be installed at all airports serviced by commuter air carriers.

Chairman King's testimony strongly suggests that facilities and equipment do contribute to safety.

Do you agree and with that in mind, don't you think holding the line so tight on the safety part of the budget is unrealistic?

Mr. GOLDSCHMIDT. No, Mr. Chairman, I do not believe that our proposed authorization levels are unrealistic. I can't say that I'm enthusiastic about the idea that we're having to make these choices. Maybe I should spend just a minute describing what it is we asked of our people when they submitted their budgets, and then let you talk a little with each of them about how they analyzed the submission that we finally made to the Office of Management and Budget, and that the President will be submitting to you.

Two requirements which I asked Mr. Downey to measure in every one of the submissions were, first, safety; that is, to impair no safety activity of our department. For example, we have hazardous materials nuclear waste transportation enforcement, Coast Guard activities, and obviously Mr. Bond's jurisdiction. Safety activities are all over the Department.

The second requirement was to do nothing unless, there was absolutely no way to avoid it, that would impair our energy conservation efforts, because I think it is essential that that part of the attempt to restrain inflation be protected as well.

I think we recognized the merit of your point, without concluding that the numbers would necessarily come out the same, in that F. & E. not only was not cut but increased 100 million. When you look—and I know this full committee will—at the totals which we will submit for our Department, you will notice that the reductions in airport development are about 7.1 percent, and if you measure those against the rest of the Department, it will be the lowest percentage reduction of any segment that we have.

Both of those facts are a reflection of our concern about the issue you're raising. The judgment that I had to make was whether or not the restraint that applied to the increase—not a decrease, but an actual increase—would continue to allow us to meet the basic needs that were there.

There is no question that I do not believe that anybody can stand up today and say we are meeting every need the way we would want in the best of all situations, or that we wouldn't spend more than we are spending were the situation to merit it.

But I think it is also worth saying, having been a mayor for a while, and I know you were in this situation, that we are in a footrace in all of our projects against inflation, and everytime we raise our budget, we are losing purchasing power to inflation in any event. The biggest service that could be performed for almost every agency that is getting this money and spending it, including ours, would be to assure that the increases we get annually were real purchasing power increases. Of course, as you know, that's not happening.

I would be happy to have either Mr. Downey or Mr. Bond elaborate about specifics, if you wish, but that's the best answer I could give you.

Mr. Anderson. On the noise program, you state that your approach is to make noise projects eligible for ADAP funding, and I have several questions on this issue.

First, I assume that you intend to include in ADAP the provision of the Aviation Safety and Noise Reduction Act we just passed, such as the requirement that planning and preparation of noise exposure maps precede the grant of funds for noise abatement programs, and that local governments are eligible for funding of noise abatement programs.

Am I correct that you intend to adopt this Act as part of ADAP?

Mr. Goldschmidt. Yes, that's correct.

Mr. Bond. Yes, sir.

Mr. Anderson. OK. So, on H.R. 6721, which has a separate funding because we're concerned that if noise projects must compete with capacity projects for funding, noise will be given a low priority.

What objections do you have to separate noise funding, or set aside for noise, as we have done for other important projects, such as reliever airports, and systems planning?

Mr. Goldschmidt. Well, first I think I would arrive at a somewhat different conclusion than you about what will happen in the priority setting process. I can only say for my part, from my experience in the area in which I lived in Oregon, and our airport was under assault for noise concerns by neighboring citizens including some in the State of Washington, that the airport operators have arrived at a point where either they deal with those noise concerns or the capacity increases will not happen. What happens is that the Board which is appointed by the Governor, just won't be in a position to approve them.

I think as a matter of priority they have been trying to deal with that with the airport users, and I might say the airlines have contributed substantially to the acquisition of buffer.

So, I believe that the noise pressures—and certainly the recent filings of successful lawsuits by citizens that are holding port authorities or airport managers responsible for the situation are going to increase the priority of that activity.

As a general philosophical rule, I would much prefer to have the airports in a position where they had to address these issues as if they were real. If they didn't need dollars for noise, they could use them someplace else, and if they needed them for noise they could use them for that purpose.

So, I assume we start out with a different premise. I won't expand beyond that. We've made some comments about the importance of waiting for the noise study, and so on, but I think those will stand on the record.

Mr. **Anderson**. But you didn't comment on my inquiry on what objection do you have for a separate noise funding, or a set-aside, like we have for relievers? You don't feel it is necessary?

Mr. **Goldschmidt**. No, I do not, Mr. Chairman. I suppose it's sort of a "what's mine is mine, and what's yours is half mine" approach. They can spend everything you spend out of Pot A, and then you can find a way to spend something out of Pot B. I would much rather force any local jurisdiction to have to sit down and work out its own set of priorities. I think the bigger argument with us, of course, is having made it a part of the program—and I'm talking about accepting that it's an eligibile activity—we obviously do not supply a large amount of additional funds to accept that additional burden. That is really a function, I think, of two things; first, the budget problem itself; and second, the feeling that we ought to wait until the study is done.

We concur with you that it is a growing problem and a need, and I suspect that Mr. Bond would say that it is unlikely that the total demand that is out there today could be met by the total amount of funds that we would provide; but I think we are approaching it as responsibly as we can in the budget environment that we have to face.

Mr. **Anderson**. You say give it to the local government and have them sit down and solve their problems.

How do you solve a problem like College Park—that's the right name isn't it?—where all the noise is when they're landing at the Atlanta Airport, and College Park is not part of Atlanta. Now, they can go to Atlanta all they want and unless they have something to do themselves, they can't get any help. We've tried to approach that. I have the same problem in my area where with the Los Angeles Airport, most of the approaches are over two other communities, one unincorporated, and one incorporated. We have tried to approach that by giving the local government that's in the impacted area some opportunity to do something about it, and we felt it has to be separate. Obviously, an airport operator that's not even in that impacted area is not going to spend money outside of his jurisdiction.

Mr. **Goldschmidt**. Well, Mr. Chairman, first of all, we agree that things will have to be done about it. I'm not sure that your sense of how it ought to be solved and mine, as a personal matter, will be the same. Unless Atlanta is a remarkably powerful center city in the State of Georgia, and my understanding of Georgia politics is that if Atlanta wanted something out of the legislature, it shouldn't hold it's breath. It was the same with Portland, in the State of Oregon. You really have to work very hard to persuade the rest of the State to solve your problem. I don't know that Atlanta could solve it through their State legislature, either, if they wanted to; and I'm not sure that the local communities around Atlanta could. But it should at least be said clearly that airport authorities are not creatures of Federal law, they are creatures for the most part of State law. The manner in which their boards are appointed, and the manner in which their environmental laws are carried out are to a great extent local and State decisions.

I have no reluctance at all to have the people of the State of Georgia addressing, through a State legislative mechanism, whatever legal standing people have to sue with regard to noise. My point is not that we shouldn't provide any assistance, but as to the level of assistance and the mechanism for doing it, I guess we would just disagree about that. I do not think that over time any airport, Atlanta, or my home city of Portland, will be successful by assuming they can trample on the rights of people who live near them by ignoring the noise issues. And if they think they can do it, I think the recent litigation and the problems they're facing only signal the beginning of their difficulties.

Mr. ANDERSON. On a related issue, do you believe that airport proprietors should be permitted to place limits on overall operations to reduce noise?

Mr. GOLDSCHMIDT. Well, I suppose as a personal matter, my conclusion would be yes, as long as it is done in a nondiscriminatory fashion. That's a subject that could take days, I suspect; and having listened to the discussion this morning, it's a very complicated one; but I think the answer would be yes.

I might say that we are involved in litigation in Santa Barbara where the mechanism for doing that, I think, was discriminatory.

Mr. ANDERSON. I've heard that airport operators find it difficult to determine Federal policy on restrictions to reduce noise. For example, Caran Airport impose aircraft noise limits with stricter deadlines than FAR 36.

Are curfews permissible? Can there be limits on overall operations? Do you think it would be desirable for the Government to issue a policy statement setting forth in detail what restrictions are permissible? That's the question I was asking Mr. Cohen before.

Mr. ONSTAD. Mr. Chairman, there are a number of answers to the question which are readily available.

For example, if you recall in the Noise bill which you just passed, the Congress chose not to federally preempt the area of compliance schedules. So, in the opinion of the FAA, at least, the local proprietor does have the capability today to set a noise compliance schedule different from that which is contained in the bill passed by the Congress, so long as it doesn't unduly burden interstate commerce; and there you get into the question, for example, if one airport does it, does that have a domino effect on the system; and only when you work your way through that can you give an answer to the question.

We have said the local proprietor has the authority to impose a curfew. We have set up a new mechanism which is reflected in our advisory circular 36-3, and our integrated noise model to give a very meaningful effective tool to local proprietors to do exactly these kinds of things. In fact, we have a book which is as thick as the book which I have in front of me, which we refer to as our "Handy Dandy Local Airport Operator Noise Kit," which——

Mr. ANDERSON. Did you say you had set up a curfew, what could be done in a curfew?

Mr. ONSTAD. We've said that the local proprietor could set up curfews, subject to the undue burden on interstate commerce test, Mr. Chairman. But we've also put together a book which, as I indicated, we refer to as our "Handy Dandy Local Airport Operator Noise Kit", which is as thick as the one in front of me, which gives him a series of options and capabilities. We have also been out working with people like Cliff Moore, and Dick Heath, to try to effectuate meaningful noise reduction policies.

For example, we're working with Dick Heath right now on an ANCLUC study at San Francisco which includes the concept of pricing for noise. We and the Civil Aeronautics Board are trying to help the local proprietor develop those kinds of concepts.

One of the problems with a policy statement at this point in time is that there are a number of emerging concepts. For example, at Burbank, we have a problem of a stage 3 aircraft coming in, which is PSA; and PSA will then have a fixed number of operations, but will provide a reduced noise level underneath the cap. And the question which has not been resolved yet, are we capable with existing technology of dividing up noise into quantums that can then be reapportioned to new entrants, for example, or, given to existing carriers, to expand their services. Those are questions which we're looking at, we're working on, and have not resolved yet.

Mr. ANDERSON. In the 1976 ADAP amendments, the Congress put a prohibition on the closure of flight service stations. In light of the announced FAA program to modernize and consolidate the system of flight service stations, is there any need to continue this prohibition?

In your answer, would you please comment on the argument that if the flight service stations are closed, general aviation pilots will no longer be able to get weather information collected at those flight service stations.

Mr. BOND. We believe, as our bill reveals, that we do not need the continuation of that provision, and that services to general aviation pilots can continue at not only the same but at a much superior level under a reorganized flight service station plan.

In regard to the question of weather provisions, I might point out that more than 100 of our flight service stations do not now collect weather information data at the location and the service works perfectly well.

Let me expand my answer, Mr. Chairman, to say a bit about the status of the flight service station improvement program.

First of all, I think that it is now fair to say that the technology that underlies the flight service station program—the dial-in, the information recorded, CRT's that display weather to our flight service station specialists, and so on—is solid and mature and has been accepted by the user community, as the best technology that can be provided.

However, the implementation plan for the flight service station program has been, in my opinion, defective. Nobody likes it, and if that is the case, it probably isn't right.

So, we have reorganized the whole thing, and OMB has just approved, as well as the Secretary's office, a complete recasting of the flight service station program implementation.

Basically, the main features are that we recognize that this is a service to the general aviation community, and that the flight service stations themselves should be located where they can best serve the general aviation user. So, we will propose 61 major super-flight service stations. They will be automated, and they will be located on airports. The issue of colocation, which is to say consolidation into flight service stations—the old ones closed and the services consolidated—will be addressed on the basis in each case of a publicly announced and coordinated plan with the users in the area, so that we won't catch anyone by surprise, and so that we are sure that the alternative services that we provide are at least as good as those that we abandon.

Finally, we are totally abandoning the old notion of colocation, where we would have buried the flight stations ultimately in some air traffic control center. That is now out the window.

Mr. ANDERSON. With respect to your recommendation for increased fundings for operation and maintenance, am I correct in understanding that increased payments of operation and maintenance out of the trust fund does not help reduce the deficit in the unified budget of the Federal Government since there will be no reduction in funding for operation and maintenance, but only a change out of the pocket from which it is paid?

Mr. DOWNEY. That's correct, Mr. Chairman. In any given budget year, and with an assumption that all other things remain equal, the unified budget deficit would be the same. It would remove over time the need to raise other taxes if other program changes cause increases in spending.

Mr. BOND. Mr. Chairman, two additional things ought to be said.

One is that there is no alternative. There's no fiscal alternative, it seems to us in the administration, to increasing O. & M.—other than a tax reduction—because the cash flow that is coming in exceeds any reasonable estimate of what is necessary for the capital purposes.

If you have a tax cut, that leads to inflationary consequences that the Congress and the executive branch do not now seem willing to assume. Tax cuts, we don't seem to want.

Second, given the current flow into the trust fund, the general fund of the United States borrows that money and pays interest on the borrowing, and so on; so it is then correct to say that the national debt would be ameliorated by the O. & M. funding we propose, as well as the taxes.

Mr. **Anderson**. With respect to your position that the users of the air transportation system should pay a substantial portion of the expenses of maintaining and operating a system, have you considered how other trust fund programs operate? For example, do highway revenues go to pay the salaries of the Federal Highway Administration, or do the social security trust fund revenues go to pay the salaries of employees of the Social Security Administration?

Mr. **Goldschmidt**. Well, it would not be accurate to say we haven't considered it. It's certainly a reflection of our concern that users pay some percentage of the freight, and as you notice, we do not propose to have it be 100 percent. We certainly took that position on the question of waterway user charges, that expenses which benefit to one particular sector of the transportation community should not be socked into the general fund.

Mr. Chairman, I tend to work back from another point of view, and I just want to say this to you: It is a very discouraging feeling sitting where I sit, knowing that people who do not use this system at all are paying for it; and there are an awful lot of people in my home town who, if they're ever going to fly in an airplane, they'd better get going fast. I mean, I just don't see it happening. Their income, their living patterns, and other things are set, and it is unfair for them to be taxed to pay for aviation system operations and maintenance to the extent that they now do. Now, I do think they have an interest in the safety of the system, and the responsible administration of it, and I think the numbers we provided you today reflect the view that continuing there should be some continuing general fund responsibility. Perhaps Mr. Downey can respond as to whether or not those comparisons would be favorable with social security or the other examples you provide us.

Mr. **Downey**. I am not familiar with the social security. I would have to refer to that, and answer for the record.

Mr. **Anderson**. Well, perhaps I ought to know, because I'm on the Subcommittee on Surface Transportation. Are you asking to increase the salaries of the Federal Highway employees out of highway revenues?

Mr. **Downey**. In the present system, in the Federal Highway Administration, all administrative costs of FHWA relating to the Federal-aid highway system are paid for out of the trust fund.

Mr. **Bond**. And in addition, at the State level, Mr. Chairman, the operating cost of the highway system at State levels are almost exclusively paid for by user charges through state taxes.

Mr. **Anderson**. Not on a Federal level?

Mr. **Bond**. Well, the Federal level doesn't pay the operating costs of State government.

Mr. **Anderson**. But it does pay the Federal expenses we have.

Mr. **Downey**. That's correct, yes. The Federal administrative costs of the Federal-aid system are paid out of the highway trust fund.

Mr. **Anderson**. I have no other questions. Did you have anything you want to ask?

Mr. **Gingrich**. I'd just like to ask Mr. Goldschmidt how this fits with your position on mass transit?

Mr. Goldschmidt. Well, the transit legislation we are proposing would make a very significant statement by this government about what share of the responsibility for the operating costs of local transit should be assumed by the Federal Government.

Mr. Gingrich. If I may, not by local governments.

Mr. Goldschmidt. Let me finish the point, because your point has to do with the user, which is ultimately where this decision would roll back to. We now have the New York metropolitan area, which has over 40 percent of the Nation's transit ridership and gets 8 percent of the funds, and makes an enormous effort at the fare box. Their revenues cover 60 percent of their costs. We think that's essentially the direction the system ought to move. Now, there's a social policy or a fiscal policy issue here about fuel conservation which has to be an offset against the direction we're pushing, but we are in fact pushing to see that the users accept some legitimate share of the cost of operating the system, and that we don't spawn a nationwide system in this next decade in which transit service is expanded on the basis of much this Government will pay for.

Mr. Gingrich. So you would suggest that ultimately Metro here should be paying, that is, the passengers should be paying 90 percent, which I think is the figure you use in here for what commercial passengers are paying into the trust fund.

Mr. Goldschmidt. No; I did not say that. I just said we ought to be pushing in the direction of a very significant share being carried by the users.

Mr. Bond. There has been a consistent thread throughout what I believe has been both Republican and Democrat proposals to the Congress, and that is that in transportation where the user community can pay the costs, it ought; and that is the case in highways. Heaven knows it is clearly evident that the general aviation community is not a welfare case. They're perfectly solvent. They are quite capable of paying these expenses; and in the case of mass transit, the users cannot, for national and social reasons, pay that burden at the fare box.

Mr. Gingrich. I'd like to yield to my colleague from Georgia.

Mr. Levitas. Thank you, Mr. Gingrich. I appreciate that. I told my colleague that I had previously made a luncheon arrangement last week with Mr. Pertschuk of the Federal Trade Commission. I thought it would be appropriate to take him out to lunch this week. He might have been in need.

Mr. Mineta. Are you taking him to lunch, or having him for lunch?

Mr. Levitas. Well, since yesterday, I think we'll split the check. I regret very much that I will not be able to be here unless, this hearing continues beyond that period of time, to go into a whole series of questions that I wanted to with Mr. Goldschmidt, who I would like to welcome in his first appearance before this subcommittee; and Mr. Bond. I'm sure he will categorize my going to lunch at this time as being off on a frolic someplace; but I wanted to get into that a little bit, too, and the GAO report, and the bill which I've introduced, I seriously would like some comments on those items. But all I guess I can do is ask permission, Mr. Chairman, to submit questions in writing to the Secretary and to the Administrator, for answer at a later time.

Mr. **Anderson**. With no objection, so ordered.

Mr. **Levitas**. Thank you. The other point—specifically, I'd like to ask Mr. Bond this. Will you furnish the committee with a list of the locations that you anticipate the 267 ILS systems to be installed over the next 5 years, which I understand is part of the——

Mr. **Bond**. Mr. Chairman, we have not finally settled on that list, and so we don't know exactly where they will be yet.

Mr. **Levitas**. Well, how do you know it's going to be 267?

Mr. **Bond**. Because the current dollar allocation works out to that number of ILS's; but as this committee knows, we change our mind, frequently from congressional persuasion.

Mr. **Levitas**. Can you let us know where they will be, say for this coming year?

Mr. **Bond**. For this coming year? Yes; I believe we can provide that, [illegible] we have not done so already.

Mr. **Anderson**. Would the gentleman yield?

Mr. **Levitas**. Yes.

Mr. **Anderson**. I don't understand that. It was the dollar allocation that determined the 267? Who, then, came up with the dollar allocation—the allocation that came up with the 267 installations?

Mr. **Bond**. Well, our budget allocations start both on a formula capacity, and on a dollar allocation. Both of those work together to decide how much equipment we put in.

First, a facility must meet the eligibilty criteria for some additional investment, and then we must find the money as time goes by.

Mr. **Levitas**. Mr. Chairman, if I may, let's get back to that. I've received information from two sources that there is such a list.

Mr. **Bond**. Oh, I don't mean to suggest that there wasn't. I just said it wasn't final.

Mr. **Levitas**. OK. Well, could we see the unfinal list, just to get some idea where you're thinking about putting these things? We would just like to know——

Mr. **Goldschmidt**. Congressman, you can see it when I see it, and I haven't had it yet. How is that?

Mr. **Gingrich**. Would you yield for a second?

Mr. **Levitas**. Do you have to——

Mr. **Gingrich**. I just want to make a comment, Mr. Secretary. When you ask at a different point in here on the 5-year authorization versus the 1-year authorization on R.E. & D., sometimes it is this lack of precision and this inability to communicate with us where in general you think you're going, that leads Congress to be a little concerned about turning over blank checks, hoping, and then dropping back 5 years later to see what happened.

Mr. **Levitas**. I've been struggling, really, for about 5 years to get that type of information, and it really would make a difference, because we're talking about navaids, we're talking about safety. The Secretary said in his statement that funding of the capital programs was the most important thing, and O. & M. second. We happen to think, I think it's fair to say, as a committee, that safety is the first most important function of the trust fund; and we'd just like to know—I'd like to know, and I think other members of the committee would like to know where you're going to put in your ILS, your precision landing systems, your VASI's, your ILS's.

Mr. GOLDSCHMIDT. We can save everybody a lot of time here. There are more options than that number, whichever number we agreed to. If you're not uncomfortable getting a list that is bigger than the ultimate number of the installations and recognizing that those decisions have not been made, unless the FAA has some reason not to release it that I'm not aware of, then you're welcome to have it. But I want it understood that the folks who are going to see that list should recognize at the outset that we do not believe we would put that many in, or that that many are necessarily needed, nor are we agreeing to some schedule that someone else may have in mind about the rate they should be put in.

Mr. BOND. Mr. Levitas, the Secretary has suggested that we send up the full list of possibile eligibilities here, and remind the committee that funding limitations will require us to put in fewer.

Mr. LEVITAS. Well, I take it that that list will be something different from the runways which presently don't have them.

Mr. BOND. Oh, yes. Certainly.

Mr. LEVITAS. We'll take a look at it, and take it from there. But as I say, I really regret that I can't go through these other questions I will submit in writing, some of them, to you.

Thank you, Mr. Gingrich.

Mr. ANDERSON. Mr. Gingrich?

Mr. GINGRICH. Thank you, Mr. Chairman.

Let me first of all join my colleagues in welcoming you, Mr. Secretary. We're glad to you have here. We're always delighted to have Mr. Bond here. Some of our more interesting meetings are with him. I'm particularly grateful because he's done yeoman's work recently in my city, and I've been very grateful for his cooperation.

I do have to note, though, as Mr. Levitas leaves, that we did as Georgians earlier recognize the red suspenders, and we think it's very suited. However, in the Georgia Commission, you would have taken off your coat at a key moment.

Let me say also that I could not agree with you more, Mr. Secretary, on both the need to fight inflation, and on the need to increase user taxes on general aviation. The 90-percent share versus the 10- to 18-percent general share of cost I think is an excellent point in an area where we are in agreement.

However, there a couple of places where I think one needs to really, without being strident, raise very, very, fundamental issue with your testimony. I think to anyone who is concerned with air safety, and with the aviation system in this country, your comment in your summary statement marks potentially an historic turning point in the management of air safety in this country, and I think we need to recognize that. This needs to be a key point of debate as we pursue this bill.

The whole process of shifting toward relying on operational procedures—we're not only talking about technology keeping us safe, we're saying the operational procedures will keep us safe—and then the paragraph that states that, "The FAA has historically expanded the system to keep pace with air traffic demand" is important. I think this sentence may be one of the most important sentences in the 1980's in the air traffic system in this country. You further state that, "in the future, rather than build to accommodate demand, we would if required, exercise our authority to control demand in a manner consistent with system safety and capacity."

Now, I would paraphrase that to say that cheapness is going to lead to less air travel by the late 1980's. I just want to begin by saying that I think you have posed exactly the issue that is the fundamental difference between some of us on this committee and the FAA. We are convinced, at least I think some of us are, that we are underinvesting in research and in new technology, and we are convinced that by the mid to late 1980's, that the system will be saturated, and that we will face tremendous problems. I would suggest that in fact, if you are suggesting this as a strategy, it would be most useful to have either your office at the Department of Transportation, or Mr. Bond acting for you at FAA, give some indication as to systems capacity through the 1980's and the kinds of restrictions we can begin to expect in 1985, 1986, and 1987; and the kinds of cutting out in allocation, and the kind of rationing of airspace that we can look forward to by the late 1980's, presuming that we continue to underfinance capital investment.

Mr. GOLDSCHMIDT. If I might, I would like to respond generally to your comments.

I hope that what is described on page 5, which is not elaborated in great detail, in fact does stimulate the discussion that you describe. I have no discomfort in the debate, and frankly would prefer to be here urging larger expenditures on some things that I'm personally interested in. I said before—I do not recall whether you were present—that every agency with whom we deal in the Department, either our own elements such as the Coast Guard, or State highway agencies, or local governments, and certainly people in the airport field, has been running a foot race on purchasing power with inflation, and has been losing.

It is in recognition of that issue, plus the fact that there are significant problems in this field that need to be undertaken that we recommended a $100 million increase in F&E. What we're arguing about is not whether it went down which is the case in many budgets, but whether it is in fact an adequate investment strategy.

I would say to you as a personal observation, that I think the balancing of the federal budget is the greatest opportunity this country has had since World War II to think about the next decade in capital investment, or the next 25 years. I think we are a capital short country. That's true in the private sector where we are watching the auto industry scramble to retool: Ford Motor Company with profits from Europe; Chrysler with money from the Federal Government, in effect a guarantee; and only General Motors amongst the large three essentially at this point seemingly being able to handle it on its own. It is true in steel. It is true all over the country. It is certainly true of the Federal Government. I think there is uniform agreement amongst people administering these programs, including Mr. Bond, that we are not at this point in a very aggressive mode on capital investment in the American trans-

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portation infrastructure. That, is true in highways. It is true in transit. Although we are talking about more money in those places, if you look at the purchasing power, there are still problems.

The attempt to balance the budget is, in effect, to pull our resources back under our control, and then to look back out again as to whether those resources ought to be respent in depreciation allowances for private investment, and if so, how much and where; or whether they ought to be in public investments of this kind. This debate is going to be incredibly significant; and like the energy debate, it is sort of buried under energy as energy was buried under something else.

We will try to articulate the tradeoffs. But I do want to say this to you: I am not going to be smoked into a position by a lot of rhetoric from anybody in this country that air safety is somehow more important than some other safety.

As the members of this committee are fully aware, other subcommittees are facing the same problems. In highways, we have a list of situations in which bottlenecks and safety hazards ought to be eliminated around the United States. Now, whether that ought to be purely a Federal issue, is again, debatable. But deaths are occurring every week. In the State of Illinois on what I think is Highway 51, that north-south arterial, which runs the length of the State, people are killed every week, and the list goes on and on. We are not able to say to those people anything different than when we say to you, which is, some management has to occur. Ramp metering has to go on freeways, and capacity analysis and better management. I do not want to excuse our system from that kind of response either.

It is not the most pleasant choice. The easiest choice would be just to roll the dough out. I am, however, convinced that in the near term we can do it. And I want to point to the specific words, Congressman, that you identified in my statement. It says, "In the future, rather than build to accommodate demand." The future that I am speaking about is this budget year, and maybe the next year and a half. I don't have a crystal ball. I would not be here today to propose that for the next 10 to 15 years we pursue a policy of purely trading the need to invest in our future for our regulatory capability to make up for it. I am not convinced over the long haul that is possible or desirable, and I'm not in a position today as the economist of the administration to tell you that the restraints that we're talking about need to last beyond 1980 and 1981. My hope would be that they would not need to be holding us back beyond that time.

Mr. GINGRICH. You have in many ways a different function than FAA, which is, I think, sort of having to wear two different hats here. One is as Secretary of Transportation and a member of the cabinet, you clearly have to have a commitment to whatever economic plan we have this week. But it does seem to me that we mandated from the very beginning a very real commitment on the part of FAA to have a primary concern for safety. There is a difference between, for example, highway deaths caused by drunken driving, and the aviation system of this country.

The question I guess I would ask of you is, if safety were the primary consideration, and not the dictates of OMB, recognizing that what you spend in 1981 has an impact on 1985, which is precisely the point you made earlier, you can't start up overnight, that we really do have multiplier problems that are going to get steadily worse. You know, a family that balances its budget doesn't do so by cutting out food and keeping the movie fund. And I think the cut in capital investment money for safety while keeping a lot of the other programs we have going in this budget is, frankly, insanity.

Is it possible under the system we have—and I just ask this in naivete—is it possible to get an analysis that was done internally without violating executive privilege, if there is an analysis, of what it is we should spend on capital investment if our primary, if our only criteria was noneconomic, that is, nonbudgetary? If our criteria was safety in air traffic trying to meet the needs of the next decade, could you submit that to this committee?

Mr. GOLDSCHMIDT. You are talking about a departmentwide evaluation?

Mr. GINGRICH. Or an FAA study that focused purely on the issue of what we would need——

Mr. GOLDSCHMIDT. Let me say this, I would not submit to you an FAA list as one that I would accept as a clean judgment from me. I obviously have a responsibility to look at what they propose. I thought the way you were asking the question was if you had your druthers, you just had this Department budget to do whatever you wanted with, sort of fungible resources, would you move the money some other way than we submitted it to you, and did we have a cross-department analysis. Well, as I said in the beginning, we had two rules; one was safety, and the other was energy conservation, and we asked everybody to submit proposals essentially from their least onerous cut up, including a directive we had almost at the beginning that some personnel savings would be shared. But I don't think we ever quite looked at it as cleanly as that. But I tell you, we did set priorities as between agencies and functions; and those are reflected in the submission which the full Committee will get, and in the fact that the FAA F. & E. goes up $100 million, and the average cut is about 7.1 percent which is the lowest of any segment of any of the activities that we are carrying on. To that extent, I am convinced that safety may play a larger role in FAA's responsibilities than, let's say, it does, in the day-to-day activities of FHWA.

Now, I know that among the Budget Subcommittee and Appropriations, and your colleagues, there is some disagreement about that, but I wouldn't hesitate to say that to them, either.

Mr. GINGRICH. Mr. Bond, is there a document that analyzes safety over the next decade from a budgetary noneconomic standpoint?

Mr. BOND. I can't think of one that addresses that issue in toto, though all of our regulatory agendas, and so on, are certainly aimed in that direction. But I don't think that's what you're driving at.

Mr. GINGRICH. No, I'm driving at this: Has anyone in your agency done the kind of analysis of the kind of capital investment necessary for the technology and the systems to handle air traffic that's projected for 1990?

Mr. **Bond**. I don't know of it. We have done projections for higher spending levels, and tied those to various investment alternatives, which would come, of course, as the Secretary said, closer to meeting unconstrained demand. But I'm not sure the title of it would be exactly as you describe.

Mr. **Goldschmidt**. The problem I have, Congressman, with your question is this: you can pick any metropolitan airport situation in the United States, and the question of managing the air space is not, a technical issue purely, but in large part a political question about who flies where, and who has the muscle to make them do it. If the Administrator wants to make that judgment, I think it is a tougher problem over the next few years than the amount of capital investment we are going to make. I think the defederalization proposal which—and I realize you may not be supportive of that—may send a signal that we ought to back off of our interest in regional airspace management, the big guys are on their own, but the little airport they own may still be at the trough asking for money, is a more serious problem than the issue you raise. I don't want to demean those, but I think there are a lot of mixed signals out in the country about the ability of this agency to manage those problems.

Mr. **Gingrich**. Let's break those into two parts, because I was going to get into the issue of the airports in a second. But let me say first, I think there is a very fundamental issue of whether or not by the mid-1980's we're going to have an obsolete system in terms of computers, and other technology. The question I was asking is if there has been a safety only analysis—working backwards—and precisely an engineering benchmark that says, "To get to this level of technology to deal with this level of expected air traffic would require this kind of investment." I don't know what the title would be, Mr. Bond, obviously, but——

Mr. **Bond**. Well, I don't think we have broken it down in exactly those terms, but we certainly do recognize that a best effort and a financially unconstrained effort would result in bigger numbers that we have presented here. The Secretary said that. We say that. We are subject to the Unified Budget Act, and although the Congress gives us language, and we try to follow it for the highest level of safety in this system, the Congress has not chosen to give us unconstrained Federal spending, and the difficult and what the President called "unsettling tradeoffs" that the Secretary has described are required.

Mr. **Gingrich**. But if I may pursue this one more second here, it would seem to me that you are at some point mandated to report on safety, not to report on OMB dictates, and that in order to report on safety at some point in your planning, you have to stop and ask, in essence, abstract non-OMB questions about where are we going to be in 1985, and where we're going to be in 1990, and then work back to your budget, and say——

Mr. **Goldschmidt**. Congressman, I think your point is well taken that historically, as it relates to the Secretary of this Department, this agency has a unique relationship on the issue of safety as compared to the other agencies within the Department. I hope that Mr. Bond would be in a position under oath in a court of law to say that I have done everything in my power to follow that historic pattern, and to not interfere, if I can say it in that way, in that congressionally assigned mandate on safety.

I am also not hesitant to say to you that the FAA has continued to raise the need for additional capital investment in safety related activities. I do not think they are unrelated to the question of capital investment for capacity, and the question of whether or not you are assuming that you will just provide unlimited resources, which involves a capital tradeoff of whether to invest here or somewhere else. Mr. Downey was reminding me that we had one such study done for highways which some would call a safety study, but in fact is a capacity study that suggests we only need to spend something like $675 billion over the next few years to bring all our highways to full capacity. I think that is not the beginning premise to work from. There has to be some standard against which we should measure. I think the basic question to ask is this one. "Is the budget we have submitted reasonable in light of the safety mandate that you and your predecessors have assigned this agency?"

Mr. ANDERSON. Would the gentleman yield?

I'd like to just pose a question, then. If we authorize the $525 million for F. & E. that we have in our bill for fiscal year 1981, could the funds be spent to provide a safer system than we would have if we spent $350 million for F. & E. in 1981?

Mr. GOLDSCHMIDT. Is the question whether it would be safer?

Mr. ANDERSON. Yes. Could those funds provide a safer system than we would have if we spent the $350 million?

Mr. GOLDSCHMIDT. The answer is yes.

Mr. ANDERSON. Well, then, I think there is a question.

Mr. GOLDSCHMIDT. But I could give you the same answer on highways. I can give you the same answer on transit where there are fires in Philadelphia in the system with people in it. I can give you that answer on almost every budget. I think as I've tried to say, the question is, can we compensate for the short-run restraint that is required in matters that will not require us to make those expenditures, and are they expenditures at the margin of safety, or are they fundamental to the system?

Mr. ANDERSON. I can see that answer coming from you as Secretary for a whole Department, but I would not get that answer from the Administrator of the FAA. I think he would have to fight for the $525 million if he felt that it would be a safer system.

Mr. BOND. Well, I would like to move over a little closer to the Secretary. You know, I think that you assume that there is only one congressional dictate to me as Administrator, and that is only safety. That is not true. There are a number of them, all of which impact upon and in some ways impede the relentless search for aviation safety. The most fundamental one is the budget limitation. There are capital spending limitations on our program which limit our ability to make investment, and they are placed on us by the Congress, and they are carried out both by the Secretary and by the OMB under a variety of administrations for good and sufficient reasons of Federal control of spending an acute issue before the Congress right now.

There are other limitations that act on me, though, as well. Under the Administrative Procedures Act, I cannot make a law or a rule, or put a facility in just like that. Environmental protection laws contain a whole series of constraints that limit us from draconian or dictatorial decisions driving only toward safety, and I really do want to associate myself with the Secretary when we say there is no such thing as an unconstrained totally safety-oriented act, whether it is a money act, or regulatory act, or any other sort of an act; because if there were, and if that were the Congress wish—and I don't think the Congress wishes a totally infallible safety system, then we wouldn't put any airplanes in the air in the first place. That is where that logical train leads. There are always constraints.

Mr. Gingrich. Let me just say in closing that I think that when you're looking at an act which extends over the next 5 years, and you're looking at planning for this system, that the two concerns I have are, first, some of the testimony would lead one to think that the trust fund in fact should be outside the Unified Budget Act, that there are constraints here that have no relationship to the trust fund's ability to finance, but are in fact part of the degree to which we're hiding deficits in other areas by using the surplus from this fund. And second, that there is some danger in having the safety oriented part of this agency subordinate to a range of political considerations which may mean that 5 or 10 years out—not this year, not under this Administrator, not under this Secretary—that we're making decisions which we will only fully realize the impact of when the system reaches real constraints.

I thank both of you for your testimony.

Mr. Goldschmidt. Congressman, there's only one point I want to make on this, because frankly, this is a discussion that could go on for days, but I really am more concerned about the operation and maintenance issue, and let me tell you why.

If we continue to have a surplus, I think the pressure is going to be just to defederalize the system, and it will be a decision made without regard to the merits of any of the substantive problems that are there. It will finally just be an act of total frustration, and I am already beginning to sense it.

Second, I think that the pressure—and I've asked Mr. Bond about this, and he can speak for himself—that I'm worried about, which I don't see affecting us today but over time, is that the formulas may operate to require more people as there is more activity, and that pressure will be driven into the general fund of the budget to compete with Defense, and health care, and all the rest of those things. That is the battle that am worried about. I see myself as an ally with the Administrator in that battle to make sure we get those resources; but when the trust fund has resources and in effect we are trying to win that battle on principle, I think ultimately, somebody is going to start trying to restrain us over there. If you want to pick a place to start a fight as, I suppose, allies, that's the place I would start it.

Mr. Bond. Mr. Gingrich, I would like to add something to what the Secretary has said. You have talked about a historic shift in emphasis. That is correct. That is what this statement here is meant to mean. I would like to point to an historic shift that took place over the last 15 years upon which the Congress and this committee have not focused.

When I first came to Washington in 1965, the legal mechanism of the trust fund was such that it assured the committee that all the money that came in for that particular purpose, whether it was this trust fund—which didn't exist then—or the highway trust fund, all of it was spent for those purposes. Two things have happened since then. One is that the unified budget and spending control mechanisms that have been imposed on all Federal expenditures have separated income from expenditure in a legal way. And I've talked to the Ways and Means Committee, which is involved in raising money, and to this and other committees which are involved in spending it, and the connection between those two is amazingly not very apparent to some Members of the Congress; because they are involved in one or the other. But that is what has happened.

Second, competing demands for the Federal budget, which is primarily the social spending in this country; pensions, the Federal salaries, and other things have created a legal mechanism called entitlements", in which the people or the institutions who are recipients, which are entitled as a matter of law to that much money, and that the Congress only act, therefore, is to ritually appropriate enough to meet demand. So, what has happened in 15 years is that the capital investment portions of the Federal budget—which this committee deals with—have been capped, and a 180 degree reversal has occurred and the social spending portion of the Federal budget is now unlimited. There has been an historic shift of power in the Congress.

Mr. **Anderson**. Mr. Mineta?

Mr. **Mineta**. Thank you, Mr. Chairman, and Mr. Secretary, very, very much for again your appearance before the Public Works Committee, considering it's back-to-back, yesterday and today.

First of all, as you did discuss the figures, I guess, that you're allowed to speak about then as they relate to fiscal year 1981. In line with the President's budget recommendations, I'm wondering on fiscal year 1980, do you intend to take any actions, or to seek any legislation to reduce spending for Fiscal Year 1980?

Mr. **Goldschmidt**. In this budget, or in our department?

Mr. **Mineta**. In the fiscal year 1980—this budget.

Mr. **Goldschmidt**. This budget.

Mr. **Downey**. Let me ask again, Mr. Mineta. With respect to the FAA, or——

Mr. **Mineta**. That's correct.

Mr. **Downey**. No, we do not. The main reason being that because the Airport and Airway Act is expiring at the end of fiscal 1980, and because all of the legislative proposals would reenact a new statute, we determined not to seek any controls on the trust fund programs in fiscal 1980. We are seeking some in fiscal 1981.

Other programs, such as highways and the reduced size of the transit supplemental, would occur in 1980, but in this one, for technical reasons, we are looking at only 1981.

Mr. **Bond**. Except for a few small things. There is a freeze on personnel hiring right now that applies across the Federal Government and to ourselves, a two for one freeze. There is also the question of supplemental appropriations during 1980. It looks to us that there aren't going to be any, and for us the primary problem is fuel costs for our airplanes. Defense has the same dilemma, and I don't know whether we can recover those costs. So, I think we may lose those out of our current operating budget.

Mr. **Downey**. There will be, yes. There will be some absorption efforts, probably more than normal. One other adjustment also affecting the FAA is that the Dulles Airport access road will be deferred by 6 to 12 months, some of which would affect 1980; mainly 1981.

Mr. **Mineta**. There have been some remarks around town that the Senate bill should prevail because it would help reduce Federal spending and the deficit; however, my understanding is that while it would decrease Federal spending, the Senate bill would actually increase the deficit. This happens because de-federalizing 72 airports only removes expenses equal to one and a half percent of the 8-percent tax, and yet the Senate bill would also drop the 8-percent to 2 percent.

I'm wondering if you would care to comment.

Mr. **Downey**. Yes, that would be correct. I would note of course that the Senate bill as passed does not yet deal with the tax issue. That has to be initiated in the House and go over to the Senate, but the proposal that the proponents have made on the Senate side is for that amount of a tax cut; and yes, it would increase the deficit.

Mr. **Mineta**. Mr. Secretary, getting to the access issue, you were talking about the committees—the airline scheduling committees, and you're acknowledging it has worked satisfactorily thus far, although you look at some difficulty. I'm wondering, given the case, or given the fact that these have worked satisfactorily thus far, as to why there's this need to interject the Federal Government into the contractual relationship between the airport operator and the airline, especially where local government—as the operator of the airport issues revenue bonds, has to have that secure source of revenues coming in in order to amortize and pay off that revenue bond. I'm just wondering whether or not from your own experience in local government you feel this Federal Government interjection should be there?

Mr. **Goldschmidt**. Well, let me start by saying, Congressman Mineta, that obviously, since deregulation already allows the withdrawal of service from airports, the manner in which the bonds are liquidated is a contractual one between the airline that is trying to relieve itself of the duty to serve, and the airport.

Mr. **Mineta**. But they're still under contract, even——

Mr. **Goldschmidt**. I understand that. I'm just saying I think it works both ways. The contract is the key issue here.

Obviously, I wouldn't assume that somebody coming in gets a free ride, and it may be that in the process of the bond mechanism, and I haven't actually reviewed any of the instruments, that you may have a substitution of the parties, and the bondholders and others may need to be involved. So, I want to be careful about the words injecting "federal presence". I listened to the questions that were asked Mr. Cohen before me, and I have actually sat down to visit with him on one occasion to try to get a sense of what they see developing, and our people see developing.

I am very concerned that the air system in this country is on its way very fast not to being a system at all. I say this as a rank amateur on the subject. I have spent nowhere near the time this committee has; but just let me give you my sense of what I see going on.

Nobody wants an airport as a neighbor. Nobody wants a reliever airport as a neighbor. Everybody wants to run his own airport. Nobody really wants to worry about the other guy, where the plane is coming from or going to except the customer who has basically only the Federal Government to take a national perspective. My sense is this, that deregulation has been a success, in spite of all of the single individual examples—and I can think of some States and cities, and I know the chairman and you can as well, where there have been problems. It has been a very successful endeavor of this Government to bring help to the industry. What do you think would have happened if we hadn't had it? But, one of its features is that it assumes competition, assumes that the cutting edge of better service, better ideas, and the rest of it are going to penetrate this marketplace. And with all the troubles of financing new equipment because of interest rates and the accelerated obsolescence of equipment because of fuel costs, it is still fundamentally a good idea, and I would just say to you, how willing are you to let a local committee with a monopoly and an antitrust exemption which I think will be exhausted very soon decide whether or not that competition will in fact occur?

Now, if this committee doesn't sense the presence of that problem, frankly, we're not eager to assume the burden against your better judgment in a bloodbath here. I just sense out there that there is a need to manage those resources better, and with the difficulties of finding new airports and getting reliever airports, the management of that space increasingly will require fairness and the presence of somebody looking over everybody's shoulder sort of saying: "Go back to the table and work it out." I don't, as Secretary, have a great enthusiasm about being in the middle of those local decisions, but I would rather have it that way than have the competition disappear.

Mr. **Mineta**. But you're looking at what you think to be a projection of the future on the difficulties that are going to come about, but can we cite enough of the problems right now in terms of where airlines have been prevented from coming into a particular airport, or where an existing contract—you know——

Mr. **Goldschmidt**. I know a man who ran for Governor, Congressman, on a platform, "If it ain't broke, don't fix it."

Mr. **Mineta**. That's right.

Mr. **Goldschmidt**. And I think you can make a pretty coherent case that the system today ain't broke, so don't fix it. My personal view is that in a system with as much dynamics and as much need to look at the future as this one, which is what drove us to look at the whole air reform process in the first place, that the "if it ain't broke, don't fix it" approach is not a sound one, because I think by the time you get around to fixing it, you will be behind the curve. But I would like our staff to respond to the specifics of that.

Mr. **Mineta**. I think that would be applicable as it relates to capital expenditures, but I'm not sure it would be applicable as it relates to operational. I think this is more operational than one of capital expenditures.

Mr. **Goldschmidt**. No; I disagree with you. I think it's very much a capital issue. It's the capital issue of the airline itself borrowing money; it's the capital issue of the whole industry and how it thinks about what it is in fact going to be able to do, and whether the market is really there or it is only a pretend world. The minute that gate space gets a little scarce and a little tight, isn't in fact the competitive edge going to be taken out of the current regulatory environment? My judgment is that the possibility is there.

Mr. **Mineta**. But an airline that's going to pull out of a market isn't going to continue to pay that lease cost; they'll go ahead and find a substitute and XYZ is going to come in, or if a commuter wants to also sublease under their main contract with the airport, they'll do that.

Mr. **Goldschmidt**. You asked for some specifics, maybe we can provide those for you.

Mr. **Onstad**. We certainly can. Mr. Mineta, first I'd like to make a point that the CAB tried to make here today. It's very important. This is not an interjection. This is a progression. I invite you to look at Senator McCarren's language in his actions in 1938. I invite you to look at the airport bills which have progressed since 1938, and we would be glad to provide the committee with a legal document which we have drafted which traces this progression of the question of exclusive use and discrimination. It has been a consistent policy by the FAA. It has been a consistent policy by the Congress. What we are talking about is fine tuning.

Now, let me give you some specifics. In your own home State, there's a commuter by the name of Gem State. They cannot get into Orange County airport today. Orange County has refused them access.

There is the case of Midway Airlines. Mr. Fary, is very fond of Midway Airlines, as am I. Midway Airlines, three times in the last scheduling committee, folded their books and said, "We can't get into National Airport. We've got to go see the Federal Government." It is that kind of pressure that is making that scheduling committee work.

Then there is the case of Air Wisconsin. Almost 1 year ago, they barely got into the Chicago scheduling committee. It was a phone call to Mike Levine and myself, and a phone call subsequently to the ATA, that got them into that scheduling committee meeting.

I can go on and cite cases, some of which involve foreign considerations where foreign air carriers are being denied access at JFK today, which are being worked through with the State Department right now.

We have a request from IATA to set up an intergovernmental coordinating committee to handle problems in the United States of airport access because we are in Europe asking for equal access, and they say, "Where is your equal treatment in the United States?"

Those are but a few of the kinds of problems that we face. I can cite to you the fact that Frontier Airlines from 1970 to 1976, or thereabouts, tried to get gate space at O'Hare Airport and was denied access by Commissioner Pat down at Chicago.

I can tell you that Continental Airlines has tried to get into Orange County since 1970, but cannot get into that airport. And isn't it fascinating that Air California is today operating in the very market that Continental has been trying to get into since 1970? I can tell you that Air California has just started service in the Las Vegas market that Frontier has been applying to for a period of time.

There are enough examples, Mr. Mineta, that I think it justifies a logical progression, and I have my own doubts as to whether the scheduling committee is going to survive the continuing pressures.

Mr. MINETA. OK, but the problem, then, it seems to me, is in the language of section 308 where there is a prohibition on the grant of an exclusive right for the use of a landing or a navigation area. That may be the key; that language may have to be changed, not the penalty side. If we're talking about a carrotstick approach, maybe it's the fact that we have to change the language on navigation area and landing, rather than to say—the stick right now is the withdrawal of Federal funds. But here, we're leaving that portion alone and we're saying, But we're going to let the Secretary get into the mix here on the contractual relationship between the airport operator and the airlines, and I just think that that is getting, again, where we're trying to get into a deregulation regime, saying there's going to be more Federal involvement. It just seems to me——

Mr. GOLDSCHMIDT. Congressman, I think it is absolutely inconceivable that I would be put in a position, or more importantly, the Administrator would, of withholding money for safety purposes as a tool to get this other matter settled that is what we're really talking about, because most of our money goes to safety. It is appropriate in a highway project, I suppose, where sometimes you are talking about civil rights issues. We do that. EPA has the authority to do it where they don't have an air quality system. But the matchup here doesn't make me feel very comfortable. I am, by the way, not eager for regulations and going to court, but I think in this case, I would rather not get the safety money in the middle.

Mr. ONSTAD. Could I make another comment, Congressman Mineta? You'll read the testimony and hear the testimony of the Justice Department later today, and they concur in our opinion that the airports today are basically antitrust exempt. So what we have allowed to happen is the creation of a natural monopoly on one end of our system. The question is, what is the least burdensome tool for inducing procompetitive actions at that airport. I think you will see that the total scope is a new policy statement emphasizing essential air transportation under section 419, Service for Commuters, Service for New Entrants, combined with a reasonable enforcement mechanism, particularly an administrative mechanism rather than a court. Many of these people cannot in fact afford the court litigation because they are small people.

Mr. MINETA. You're saying that the present law is inadequate, and so the Secretary needs, for reasons of safety efficiency and to control the congestion, this additional authority; and yet, it seems to me that the Secretary has the authority to regulate safety today, and if that is the case, under what authority did the Secretary then come up with the high density traffic airport rule which was adopted in 1968. It's there.

Mr. **Onstad**. Mr. Mineta, it is the view of the FAA that the Secretary has the authority for efficient air space utilization to slot the airport.

However, you will find that there are airports today where there are legitimate ground side considerations. Los Angeles is a very good case in point, and Cliff Moore who will appear later today can tell you more about it than I can. He basically has a situation where his city council wants to fund a throughput, as I understand, of 40 million passengers a year. They figure they can't pave any more concrete out there. The question is, how does he cap that growth consistent with the highways and the access to that airport.

The question comes down to this: Should the local proprietor have the authority to do that, given its potential adverse impact upon the national transportation system, or should the Secretary of Transportation set up by regulation a scheme that can be invoked, but in such a way as not to adversely impact the national transportation system?

Mr. **Mineta**. Let me change to another subject.

If the O. & M. is not funded at the level the administration is recommending, would you be changing your position relative to the ticket tax?

Mr. **Goldschmidt**. The point here being that if we don't add more O. & M. to the trust fund expense side, would we be open to a discussion about the tax? I mean, the assumption is there that you may need a reduction of some kind, is that the point?

Mr. **Mineta**. Otherwise, you would get to your point about the surplus going up, and then you would have more problems at that point.

Mr. Bond, in our conversations several weeks ago before our Subcommittee on Oversight and Review, we were talking about the increasing need for commuter safety inspector personnel levels, what about the freeze, and what does that mean?

Mr. **Bond**. We will manage the freeze. It's a two for one freeze anyway. We will manage the freeze so that we do not affect our hiring of safety inspectors, and that rule has already gone out within the FAA.

Mr. **Mineta**. Have you in recent years spent the full amount appropriated to you in F. & E?

Mr. **Bond**. The answer is definitely yes. Let me tell you the debate, however. The debate is that we should be able to spend it more quickly, and it is taking us longer to spend the money than we had thought and hoped. We were originally placed by the Appropriations Committee on a 3-year lapse basis. Some of our money was not spent, was not obligated in that time. We argued, and the GAO in a study confirmed, that we needed a longer time cycle which is to say 5 years, to get to the point of spending the money. That has now been given us.

So, there has been no nonspending of the money.

Mr. **Downey**. Mr. Mineta, if I could just expand on that.

In fact, in those cases where money was going to lapse because of the 3-year provision, we asked for and received a reappropriation of the funds to assure that it would remain available and be spent.

Mr. **Mineta**. Is there any discussion about exempting F. & E. or the program from the unified budget requirements?

Mr. **Downey**. None within the administration, no.

Mr. **Mineta**. As far as O. & M. is concerned, what kinds of charges are you thinking of—what kind of expenses are you thinking of charging against the O. & M. account?

Mr. **Bond**. Well, it's very limited today. Of course, there is some small amount currently allowed for maintenance costs only. We would like to expand it to add some of the expenses that are associated with the operation of the air traffic control system. Controller operating costs, are very large, amounting to maybe two-thirds of the total.

Mr. **Mineta**. Of that $1.3 billion?

Mr. **Downey**. The amounts that we have asked for, the $1.3 billion and increasing amounts, never get beyond the total of running the air traffic control system. They are based on an allocation formula of how much total cost relates to commercial travel, and how much to general aviation. We are not looking to recover more than the amount that we could legitimately attribute to those users.

Mr. **Bond**. Mr. Mineta, it might be wrong to conclude that there is some magic in our process. The way we put together the bill that is before this committee was first to examine the capital and research needs, allocate the money that we thought was necessary out of that, and then take all the rest of the income stream and allocate it to O. & M. over a 10-year period, so that it would draw the surplus back down approaching zero at the end of that period of time.

So, we didn't cover it all. If we had more money coming in, we would probably allocate more.

Mr. **Mineta**. I guess my concern is, are we picking up the administrative overhead of bureaucracy as compared to those straight costs of the airway charges, or airway——

Mr. **Bond**. No; we are not trying to do that, and it will be allocated in a way, I believe, that does not do that.

Mr. **Goldschmidt**. I think it is not like an enterprise fund where we actually did assign a total up to some administrative amount, and pulled it back in, and accepted that obligation in the fund.

Mr. **Downey**. I think in the bill there is one reference to administrative costs. My recollection is that the administrative costs directly attributable to managing the grant program, may be recovered, as they are in the highway program.

Mr. **Bond**. Those bureaucrats is what we mean.

Mr. **Mineta**. Well, thank you very much, again, Mr. Secretary, and Mr. Bond.

Thank you, Mr. Chairman.

Mr. **Anderson**. Mrs. Ferraro?

Mrs. **Ferraro**. Thank you, Mr. Chairman.

Mr. Bond, I wanted to follow up a little bit on your comments on the unified budget and the trust fund.

The other day we had Congressman Moore from Louisiana in here, and he was telling us that at his airport, they had two runways, one of which has no grooves; and he was describing an incident where a plane—hydroplaned, I guess, off the runway when it was wet, and it could have been a very dangerous accident.

Now, his question, which I'm going to ask you, was with $3.2 billion surplus in the trust fund, he's having problems getting money for a simple safety thing like grooving.

Why?

Mr. **Bond**. Because of the limitations on expenditures that are inherent in our annual appropriation process. Each year we have to decide which comes first, and we do our best.

Ms. **Ferraro**. What you're saying, though, is that that surplus has to be maintained.

Mr. **Bond**. No; I'm saying that there is a limitations on the amount of money that we can spend for these safety and capacity purposes, and we can't spend beyond it.

Ms. **Ferraro**. I'm sorry. I just don't understand that. I don't understand why you cannot go into the surplus, why that surplus has to be built up. It's $3.2 billion this year, and you don't use the income you're getting——

Mr. **Bond**. Because we cannot spend anymore money——

Ms. **Ferraro**. Than we authorize?

Mr. **Bond**. No; than is appropriated for us. There are two parallel expenditure actions that the Congress must take.

One is the authorizing, and then the Appropriations Committee comes along and does something to give us the actual levels. And the amount of money that we have appropriated for us is the amount that we can spend.

Ms. **Ferraro**. All right. Well, again, he was on Ways and Means, and he was doing oversight on this whole thing, and he was——

Mr. **Bond**. That is exactly the point that I mentioned earlier today——

Ms. **Ferraro**. That's why I was trying to get back to it.

Mr. **Bond**. It is amazing to me that folks who do two different things don't understand the relationship between them. The Unified Budget Act has created a situation in which there is a separation between income and its limited uses, and the expenditure levels later on; and that is where the aviation trust fund stands today.

Mr. **Goldschmidt**. Well, I think it should be said again in this context, that everybody sees this perceived enormous surplus, as this great opportunity to either reduce taxes, which creates a vacuum into which other people can step with price increases, or reduces the budget for whatever purposes as it is a revenue decrease to the Federal Government. That still leaves the issue that we want to raise, which is, that there is a surplus as long as the general taxpayer in the United States is charged to run the system to the extent that the expenditures are in the O. & M. category, while the money in the fund just continues to add up.

Now, I would say we still have got to pay for these things to treat the accounting legitimately.

Ms. **Ferraro**. Yes, I can see the merit to your point that the operating and maintenance should come out of the surplus. I can see merit to that. But by the same token, I don't see the merit to allowing user fees that are coming from these people who are using the airports to go into what's—the semantics of it is escaping me, but what you're doing is, you're using it to balance the budget, and that seems almost like sleight of hand.

Mr. **Goldschmidt**. No, I don't think so, and I think that's worth spending a minute on.

That money is there. It is not disappearing. It's earning interest, in fact.

Ms. **Ferraro**. But it's not able to be used for the people who are paying for safety.

Mr. **Goldschmidt**. Let me say that if you want to start out with an argument—and lots of folks are going to be doing that over the next few weeks—about the merits of a balanced budget, and its importance in the economy, that's really where you start this attack. The decision to hold down the level of spending, or the appropriation, is a function of an economic policy that has to do with how much borrowing ought to occur in the economy by the Federal Government, how much direct expenditure should go on, and so on, which is an attack on inflation. That question of how much the Federal Government should spend, what it should be as a percentage of the GNP, these larger macroeconomic issues, really are what affect, what it is that ultimately we can share—I'm talking about our Department, and then in turn, the FAA—as a part of the total Federal expenditure package.

Now, one last observation. It is my perception—and Mr. Downey may be able to give me the more precise number—that the budget balancing exercise that is going on now will end up being done within 15 percent of the Federal Government budget, approximately. The uncontrollables, that is, the indexed programs in defense and some other places that have built-in expenditures, lead to why you're feeling the pressure here so strongly.

Ms. **Ferraro**. I just—my problem is, I do support a balanced budget, and I will be supporting the budget resolution, but my problem is that I see this $3.2 billion as almost a fraud, because it really should not be sitting there to balance a budget. It should be used for the purpose for which it was collected in the first place. It should not accrue, and that's the problem I have.

Mr. **Downey**. Let me make one point. The 1970 Airport and Airway Act, which had both a tax title and a spending title, directed us to collect taxes, the 8 percent ticket tax and others. It also authorized spending programs for airport assistance, for facilities, for research and development. Each year the Appropriations Committee appropriates a particular sum for research and development, a particular sum for facilities, and sets a limitation on the amount of airport grants.

The sum total of all of those limitations and appropriations—and as we discussed with Mr. Mineta, we spent every one of those dollars—falls far short of the amount of taxes that are being collected. It is not that we are sitting on this surplus for any devious purpose. We take in every dollar we are told to take in; we spend out every dollar we are told to spend, and the balances go into Government securities and earn interest. As the Secretary has indicated, we could either cut the taxes and balance that out or we could raise spending on some of those other programs if there were justified projects, and each year in the budget process, both within the administration and at the Appropriations Committee we rank every project, and we say to the Administrator, "Start with your first dollar, and do as much as you can for safety," and every additional dollar probably buys a little bit less, but we put them in that order. At the end, if this surplus occurs, it is not a function of efforts to deliberately use it to balance the budget, it is just the mathematics. When more money comes in than we are told to put out, we are going to wind up with some left at the end.

Mr. BOND. I want to address a historical statement, one that seems to suffuse the industry, and which is wrong, and that is that the purpose of these taxes was only for safety purposes. That is, I think, the root of your emotion that it is a fraud that it isn't spent for that. It was not only for those purposes, but also to pay the operating and maintenance costs for this system. It has not been spent for that purpose over the years, and let me tell you what happened.

Right after the bill was passed in the early 1970's, the administration sent up an appropriations bill, a spending proposal to the Congress, that cut the airport portion of it way back, I think because they didn't like it very much, and proposed large amounts of spending for O. & M.

The Congress in a bipartisan fit of pique reversed this. They said, "We intended it to be spent for airports," and indeed they were right——

Mr. ANDERSON. We usually say it was in better judgement.

Mr. BOND. Well, I am not passing on that judgment because that was right, the Congress did intend funding for airports as well as everything else; but the Congress stopped the spending on the O. & M.; and they have only restored it; to a very limited extent and so the stream that comes in has been much larger than the capital expenditure purposes, and this stupid situation has piled up this surplus. It is going to go to $10 billion by the end of the next decade if something is not done about it.

Ms. FERRARO. I'll see if I can do something about that surplus.

I want to get on to something else, and that is, we've discussed the access from the air, but we haven't discussed access to the airports from the ground, and that was something that came up in the hearing yesterday on the use of ADAP funds.

I wonder if you would comment, Mr. Secretary, on the administration's position on ground access and the use of——

Mr. GOLDSCHMIDT. I'm not sure we have a defined position. We have been approached by a number of port authorities that have this ground side problem—and I am talking about auto restraint, basically. They think they could manage airspace increases as aircraft, enplanements, increase, that they could manage gate space, they have the financing capability with the airlines to do all of that, but the problems of getting to and from their airports are becoming overwhelmingly bad, and they are not really seeing any immediate change. And they've approached us and said, "What is your view on this surplus?" Again, see, they start out with the surplus, and we've said, "Put aside the surplus because that is really a separate issue. Let's just talk about the merits. The merit is this."

They're saying, "Could we get money from the UMTA fund to put transit facilities into airports? Can we get more money from the highway fund to put more facilities into airports," to which I have responded as follows.

Very often a single-purpose transit facility or highway facility into an airport does not compete well on a discretionary program basis, with facilities which carry larger numbers of people for multiple purposes. If you are lucky enough to have a transit facility that serves an airport and something else, you may be able to do it. I am open, personally. I have not gone back to OMB or to the President or anybody for a dialog on the question of whether or not, should you feel that the case is being made here by several airports in this country, the ADAP funds should be expanded off of airport property, including people-movers out in parking lots, for example, which has never been done before. Then the question is whether it ought to fund any access. That is, I think a change in policy from what was originally envisaged. Another alternative is whether or not some sharing ought to occur at the margins of one of those programs between the ADAP fund and another fund of the Transportation Department, highways or transit.

The latter, I suspect, would be more reasonable. That is, I'm not sure you should shift all of that burden over on the airport side. But personally, I am concerned about that. It is an energy issue. We have an awful lot of single-passenger cars in major metropolitan areas that are going in. I would say to you in my own community, just to pick an example, a light rail system is being examined in the alternatives analysis, and there is an access corridor to the airport, but no one in the region would rank it in the next four projects, essentially, because it wouldn't carry the volume of passengers to justify it, and it is a single-purpose facility. It would only go to the airport.

Ms. **Ferraro**. So, your definition of access, then, is not just merely to road access. It would include mass transit?

Mr. **Goldschmidt**. Yes, I think you're trying to do the most economical alternative. It may be busways. It may just be better use of the highway. It may be a whole bunch of things. This is not to say no more is being spent in this area. It obviously is. But some airports are raising this issue. I think of one in your area that Mr. Goldmark from the Port Authority has talked to us about. I haven't checked his numbers, but I think Mr. Downey has talked to him, and their feeling is that they can handle it in the air, and they can handle it on the ground, but the access problems are beginning to strangle them, and it is a real economic development issue.

Is that a fair statement?

Mr. **Downey**. A fair statement, and they have some solutions to that problem that are relatively low cost that they are looking at.

Ms. **Ferraro**. Thank you very much.

Mr. **Anderson**. Mr. Fary, do you have any questions?

Well, thank you very much for your presentation. This concludes the questions.

Chairman Johnson asked me to express his regrets that he was unable to attend today's hearing because of another hearing on a matter of great concern to his district. He asked me to submit some questions to you for written response, and without objection, the questions and your answers will be placed in the record at this point.

[The following was received for the record.]

QUESTIONS FOR HON. LANGHORNE BOND, SUBMITTED BY CHAIRMAN JOHNSON

Question 1. What is the general procedure used by the FAA in monitoring and implementing these veterans preference guidelines?

Answer. 1 Under current legislation, Section 22 (49 U.S.C. 1722) of the Airport and Airway Development Act of 1970, as amended, requires that all contracts for work on projects approved under this part which involve labor must contain, in part, provisions that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given, where they are qualified, to individuals who have served as persons in the military service of the United States, as defined in Section 101(1) or the Soldier's and Sailors' Civil Relief Act of 1940 (50 APP. U.S.C. 511(1)), and who have been honorably discharged from such service. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

(a) Section 152.55 of 14 CFR Part 152 requires each sponsor entering into a construction contract for airport development to include the provision of the Act in regard to veterans preference.

(b) An applicant for a grant assures and certifies that he will comply with the above requirement.

(c) Advisory Circular (AC) 150/5100-6B, Labor Requirements for the Airport Development Aid Program (ADAP), also informs sponsors, contractors, etc. of the requirements and indicates that they will be included in all contraccts for work on projects for airport development involving labor.

2. In summary of the above, as the Act requires, we assure that the provisions of Section 22 of the Act pertaining to veterans preference are included in contracts which include labor funded under our program. Our agreement is with sponsors and not the contractors and we therefore rely on the sponsors for compliance in this matter. Should a complaint be received, we would investigate and take appropriate action.

Question 2. Does the FAA have a special office or special personnel assigned to review veterans hiring policy with your contractors?

Answer. No, however, as indicated in the summary of the answer to question 1, we rely on the sponsors to insure that the contractors comply with the requirement.

Question 3. Do you have statistics on how many veterans, Viet Nam era veterans, and disabled veterans were hired under contracts governed by previous ADAP legislation? (Would you supply that record.)

Answer. We have no statistics on veterans employment.

Question 4. Would you supply the Committee with information on how many Veterans Readjustment Appointments were made among total new hires within the FAA according to your most recent figures?

Answer. Approximately 500 VRA's for total FAA.

Question 5. Also, does the FAA have established procedures for working with the Office of Personnel Management in promoting this program?

Answer. FAA utilizes this appointment (VRA) authority in accordance with the procedures established by OPM in Chapter 307, Federal Personnel Manual (FPM).

Mr. ANDERSON. At this time our next witness will be Donald Flexner, Deputy Assistant Attorney General, Antitrust Division, Department of Justice; and because of the fullness of our calendar, we're planning to go straight through, so any of you who want to get to lunch, you'll have to work it in between here.

Mr. Flexner, we do have your prepared statement. It will be made a matter of the record. You can either extemporize it, or however you wish. My only comment is that I was a little unhappy that we didn't receive it until 10:45 a.m. this morning, which is after the session started. At least, that's the time I got it.

Mr. FLEXNER. Mr. Chairman, I apologize for that. I had hoped that it would arrive by yesterday afternoon. I can't account for the lateness of its submission. Perhaps you had time to read it during some of the lengthy questioning this morning.

[The following was received for the record:]

STATEMENT OF DONALD L. FLEXNER, DEPUTY ASSISTANT ATTORNEY GENERAL, ANTITRUST DIVISION

Mr. Chairman and members of the Subcommittee: I appreciate the opportunity to appear before you this morning to discuss matters of interest to the Subcommittee in connection with its consideration of H.R. 6721, the "Airport and Airway Improvement Act of 1980". My comments today will concentrate on two of the "airport access" questions posed by the Committee in its meeting notice of March 10, 1980.

The first question concerns air carrier access to airports and airport facilities. Obviously, airport capacity at any particular city is a critical resource in the provision of air transportation services to that city. While most airports presently have sufficient available capacity to meet all demands, some are presently saturated and airlines are unable to offer all the services that they would like to provide. Some potential new entrants have been denied access to airport facilities, making their participation in the market impossible. While some airport operators are reluctant to provide access to new entrants because of physical limitations, or environmental factors, at other airports existing facilities may be held exclusively by incumbent airlines, perhaps occupied under long term agreements which make it difficult or impossible for new market entrants to obtain necessary access to the airport and its facilities. Accordingly, this "airport access" question is of major competitive concern.

The second subject I will address today is the slot allocation problem. It is evident that as air travel increases, airports nationwide are becoming and will continue to become increasingly congested. In light of the Federal Aviation Administration's high density restrictions at four major airports, and the possibility that additional airports will become similarly restricted as they experience greater capacity shortages, it is important that an efficient method of allocating scarce airport slots be established in conformity with antitrust policy and the competitive mandates of the Airline Deregulation Act.

With these basic considerations in mind, let me now turn to the Department's views on the first airport access issue.

I.

From an antitrust perspective, there are two important principles which bear on access to an airport's facilities by persons engaged in air transportation. One principle embodies a fundamental tenet recognized by the Supreme Court in 1912. Simply stated, unreasonably exclusive arrangements that deny access to a commercially essential or unique resource in such a way as to foreclose competition or produce an unfair competitive advantage run counter to sound antitrust policy. United States v. Terminal Railroad Association of St. Louis 224 U.S. 383 (1912). The possibility that airport operators may have a certain derivative "sovereign" status brings into play the second principle, the "state action" doctrine, grounded in our concept of federalism, which provides that the sovereign actions of a state are immune from the antitrust laws, regardless of whether those actions might be anti-competitive. Parker v. Brown, 317 U.S. 341 (1943). If an airport operator is found to be acting as sovereign within the meaning of Parker v. Brown, normal antitrust rules might not apply, and airport operators conceivably could enter into arrangements that deny non-discriminatory access to airports. Because the issue of airport access is so important, I would like to discuss these two interrelated principles of antitrust law in some greater detail.

The importance of reasonable and non-discriminatory access to commercially valuable resources or facilities is a basic theme of a number of antitrust decisions. In Terminal Railroad, several railroads acquired ownership and control over facilities which constituted the only feasible terminal for rail traffic coming to St. Louis. A contract provision required the unanimous consent of the terminal owners to the use of their system by any outside company. Control over the only reasonable means of entering the city conveyed a significant competitive advantage to the terminal owners. The Supreme Court held that to withhold that advantage from other railroad companies by denying them the use of the facilities had the effect of suppressing competition and was therefore unlawful. The Court concluded that the termin owners were obligated to provide access to outside railro companies upon reasonable and non-discriminatory term

The principle of equal access enunciated in *Termin* *Railroad* has consistently been applied in a long line cases. In *Associated Press* v. *United States*, 326 U.S. (1945), AP, a cooperative news gathering service, prohibit its newspaper members from making news gathered in the respective communities available to non-members prior publication by Associated Press. Moreover, each memb had the right to block admission of any competitor in i area. The Court noted that the service provided by AP w of paramount importance to its members and that rejecti from membership put non-member newspapers at a severe co petitive disadvantage. It therefore held that the natu and scope of the AP rules were plainly designed to restra competition in the news publishing field. As the Court p it:

> The Sherman Act was specifically intended to prohibit independent businesses from becoming "associates" in a common plan which is bound to reduce their competitor's opportunity to buy and sell the things in which the groups compete. 326 U.S. at 15.

Moreover, access to a commercially valuable resource facility need not be absolutely indispensable or unique order for restrictive admission standards to raise antitru concerns. The Court noted in *Associated Press* that there we other news agencies available to non-members but found it sufficient that access to AP conferred a significant competitive advantage over rival newspapers. Analogizing this principle to airports, the fact that an airline may have access to a nearby, or satellite airport may not necessarily mean that denial of fair and non-discriminatory access to a particular airport is any less a competitive problem.

Another example of the access principle is found in Silver v. New York Stock Exchange, 373 U.S. 341 (1963). There, a non-member of the New York Stock Exchange was denied communications connections with members of the Exchange and challenged this action as a group boycott in violation of the Sherman Act. The Supreme Court found that the ability to communicate instantaneously with firms on the Exchange was of great significance to a non-member broker-dealer. Although it might have been possible for Silver and other non-members to have conducted their businesses without the communications hook-up, the Court found that by discontinuing the private line connections, "[a] valuable service germane to petitioners' business and important to their effective competition with others was withheld from them by collective action. That is enough to create a violation of the Sherman Act." 373 U.S. at 348-349, n.5.

In sum, therefore, based on these cases, we can draw a relatively simple -- though necessarily general -- antitrust conclusion. If a competitive advantage is gained through access to a valuable commercial resource, unreasonably exclusive arrangements with competitors that deny access to others and thus foreclose or limit competition are inherently suspect. Access to limited, competitively significant resources should be provided on reasonable and non-discriminatory terms.

As mentioned previously, however, the "state action" or Parker v. Brown doctrine may be relevant in assessing the legality of arrangements that deny airlines access to airports.

In Parker, the Supreme Court held that an anticompetitive California raisin market program which "derived its authority and its efficacy from the legislative command of the state" was not a violation of the Sherman Act because it was ordered and enforced by a state commission operating under the mandate of an intentionally anticompetitive state statute. The Supreme Court assumed that the program would violate the Sherman Act if it "were organized and made effective solely by virtue of . . . a conspiracy of private persons," 317 U.S. at 350, but held that Congress never intended the Act to apply to the sovereign actions of a state. The Court emphasized that anticompetitive conduct will be considered "state action" only if such conduct is mandated by the state through legislative direction. Id. at 352. The Court noted that a state's mere approval of anticompetitive conduct does not qualify as "state action" under Parker: "[A] state does not give immunity to those who violate the Sherman Act by authorizing them to violate it, or by declaring that their action is lawful. . . ." Id. at 351.

A series of subsequent cases have applied Parker's analysis to varying legal and factual settings, and refined and clarified the scope and applicability of the general rule. In Goldfarb v. Virginia State Bar, 421 U.S. 773 (1975), the Court struck down minimum fee schedules for lawyers enforced by a state bar association. Since neither the laws of Virginia nor the State Supreme Court mandated the fee schedules, the Court concluded that they were not immune from antitrust attack. As the Court observed: "It is not enough that . . . anticompetitive conduct is 'prompted' by state action; rather, anticompetitive activities must be compelled by direction of the State acting as a sovereign." 421 U.S. at 791.

And in City of Lafayette v. Louisiana Power and Light Company, 435 U.S. 389 (1978), the Supreme Court established the principle that subordinate governmental units within the various states, such as cities or other subdivisions, are not automatically exempt from the antitrust laws because of their governmental status. Rather, the Parker doctrine exempts only anticompetitive conduct engaged in as an act of government by the state acting as sovereign, or by its subdivisions, pursuant to state policy to displace competition with regulation or monopoly service. Id. at 413. An adequate state mandate for anticompetitive activity of cities and other subordinate governmental units will be inferred when it is found from the authority given a governmental entity to operate in a particular area that the state legislature contemplated the kind of action complained of. 435 U.S. at 415.

In its most recent Parker opinion, California Liquor Dealers v. Midcal Aluminum, 48 U.S.L.W. 4238 (U.S. March 3, 1980), the Supreme Court found that no antitrust immunity was conferred on private parties engaged in a resale price maintenance scheme mandated under the California Business and Professions Code. Referring to its prior Parker decisions, the Court stated:

> These decisions establish two standards for antitrust immunity under Parker v. Brown. First, the challenged restraint must be "one clearly articulated and affirmatively expressed as state policy"; second, the policy must be "actively supervised" by the State itself." (48 U.S.L.W. at 4240.) (Footnote omitted)

The Court found that although the legislative policy was clear in its purpose to permit a resale price maintenance program, the State of California neither monitored market conditions nor engaged in any "pointed reexamination" of the program. The State did not review the reasonableness of price schedules or regulate the terms of fair trade contracts. Consequently, the Court held that the State's involvement in the price-setting program was insufficient to bring the program within the "state action" doctrine.

As Parker and its progeny make clear, the applicability of the "state action" doctrine to a particular anticompetitive activity depends in each instance on the exact nature of the legislative mandate and the extent of the state's involvement in supervising the activity.

The applicability of this doctrine to airport operators has been considered in several lower court opinions. In In re Airport Car Rental Antitrust Litigation, 474 F. Supp. 1072 (N. D. Cal. 1979), suit was brought against several car rental companies for, among other things, attempting to influence local airport officials to restrict entry into the on-site car rental market at 140 airports. The defendants chose three test airports to be the focus of their motion for summary judgment predicated in part on a claim of state action immunity from the antitrust laws. All three airports were owned and operated by local governmental units pursuant to broad grants of authority from the states to maintain and operate airports. The district court found that although the local governmental units were authorized to operate the airports, they had no legislative mandate to make decisions having an anticompetitive effect. 474 F. Supp. at 1093-1098. The court concluded that the decisions by the local authorities to restrict the number of car rental concessions at the airports were made, not to implement any state policy, but merely to maximize airport revenues. Id. at 1094-1098. A showing of general authority to operate the airports was found by the court to be insufficient to establish state action immunity. Id.

However, the Airport Car Rental case also made clear that the "state action" doctrine could insulate from antitrust attack a variety of anticompetitive restrictions on access to airports if the owners or operators of airports act pursuant to a legislative command and are subjected to active state supervision. 474 F. Supp. at 1092-1093, citing Mark Aero, Inc. v. Trans World Airlines, Inc. 580 F.2d 288 (8th Cir. 1978).

I will now turn my attention to the issue of slot allocation.

II.

It is the Department's position that the current method of allocating airport slots (the scheduling committee process) is anticompetitive and economically inefficient. The Department has urged the FAA and CAB to replace the airline scheduling committees with some type of free market mechanism that would achieve compliance with FAA slot restrictions while assuring that the available slots go to the carriers most able to utilize them efficiently at the lowest possible cost to the carriers and ultimately the consumer.

Obtaining a certain number of slots is, of course, a prerequisite to providing air service at any slot restricted airport. Under present circumstances, slots are not allocated pursuant to any pricing or market mechanism. Rather, slots are distributed to carriers pursuant to airline agreements. Some able and efficient carriers are likely to be inhibited by the scheduling committee process because the process subjects the ability of carriers to carry out unilateral marketing strategies in some markets to the approval of their competitors. Any airline, whether satisfied with its share of slots or not, can veto a proposed allocation if it does not like the share received by one of its competitors.

Further, committee decisions are apparently guided by the desire of incumbents to preserve the status quo. An aggressive incumbent of any size faces stiff opposition when it seeks an increased share of slots. And while a typical new entrant is likely to receive a few slots without much difficulty, entry at a higher level tends to be very difficult. Therefore, unless a new entrant can provide effective service with just a few slots -- a dubious proposition -- its new service may not be competitively significant.

In addition, the current method of allocating slots allows entry independent of efficiency, stifles expansion by incumbent carriers even where efficiency dictates expansion, and discourages exit even where market conditions might give different incentives. These inefficiencies result from the fact that the scheduling committee process allocates scarce slots without imposing a price on their use.

Based on the foregoing, we believe that the scheduling committee system probably lessens competition in city pair markets served by slot restricted airports.

In contrast, a market mechanism that required carriers to bid and pay for the slots they use would assure that the slots would go to those carriers who could most profitably utilize them. Carriers would have equal and non-discriminatory rights to bid for slots, and slots would be re-let after reasonable periods of time. New entry and expansion by more efficient carriers would be facilitated, while less efficient carriers would be discouraged from entering or expanding at high-density airports. Similarly, a market mechanism would encourage exit from the high-density airports by carriers serving marginal or unprofitable routes.

The use of a market mechanism would also encourage the development of secondary or satellite airports. First, carriers unable to compete efficiently enough to afford a slot at the high-density airports would be encouraged to serve the secondary or satellite airports where slot costs would be lower. Second, because costs of service at the satellite airports would be lower, carriers at those airports could transform the cost advantage into a lower fare.

We have recommended that alternative market mechanisms be considered and tested--both in experimental settings and, if possible, in conjunction with the carriers themselves in real world settings--before determining the precise contours of the system to be employed. The following are some of the mechanisms that should be given careful study and consideration:

(1) Auction method (including the "discriminative" auction wherein successful bidders pay the actual price bid, and the "single price" auction wherein the price paid equals the lowest successful bid).

(2) Peak-load pricing of landing fees.

(3) Sale of slots at a stated price (wherein an airport offers all slots for a given hour at a given price. If carriers demanded more than the quota at that price, the price would be raised until an equilibrium price was reached at which price the number of slots demanded would equal the quota).

In conclusion, the Department strongly believes that as deregulation progresses, increased demand for airport access and constraints on the ability of airports to meet that demand could have a significant impact on competition in the airline industry. Therefore, the Department urges the Committee to give serious consideration to legislation that will make access to airport facilities fair and non-discriminatory for all potential users. The Administration has proposed legislation designed to accomplish this result which the Department fully supports.

Thank you.

Mr. **Anderson**. Please proceed.

TESTIMONY OF DONALD FLEXNER, DEPUTY ASSISTANT ATTORNEY GENERAL, ANTITRUST DIVISION, DEPARTMENT OF JUSTICE, ACCOMPANIED BY ELLIOTT SEIDEN, CHIEF OF THE TRANSPORTATION SECTION, ANTITRUST DIVISION, DEPARTMENT OF JUSTICE

Mr. **Flexner**. With me this afternoon is Elliott Seiden, who is Chief of our Transportation Section.

I'm here, Mr. Chairman, to discuss the antitrust and competition policy issues connected with the problem of airport access.

I will not go into any detail about the nature of the problem. This committee is fully aware of it. I'll talk briefly, if I can, about how to approach the analysis of the issue.

From an antitrust perspective, there are two important principles which bear on access to an airport's facilities by persons engaged in air transportation. One principle embodies a fundamental tenet recognized by the Supreme Court in 1912. Simply stated, unreasonably exclusive arrangements that deny access to a commercially essential or unique resource in such a way as to foreclose competition or produce an unfair competitive advantage run counter to sound antitrust policy. This is the teaching of the well known *Terminal Railroad Association* case.

The possibility that airport operators may have a certain derivative sovereign status brings into play the second principle, the "State action" doctrine which I'll discuss later on.

The importance of reasonable and nondiscriminatory access to commercially valuable resources or facilities is a basic theme of a number of antitrust decisions. In *Terminal Railroad* which I mentioned earlier, several railroads acquired ownership and control over facilities which constituted the only feasible terminal for rail traffic coming to St. Louis. A contract provision required the unanimous consent of the terminal owners to the use of their system by any outside company. Control over the only reasonable means of entering the city conveyed a significant competitive advantage to the terminal owners. The Supreme Court held that to withhold that advantage from other railroad companies by denying them the use of the facilities had the effect of suppressing competition, and was therefore unlawful.

The Court concluded that the terminal owners were obligated to provide access to outside railroad companies upon reasonable and nondiscriminatory terms. This principle of equal and fair access has been enunciated consistently in a long line of cases following *Terminal Railroad*, and I think it would be useful to think of that case and that fact situation in the context of what we've been discussing as the role of scheduling committees.

One of the critical issues has to do with the relationship of airport operators to State and local governments. As I had indicated earlier, the "State action," or *Parker* v. *Brown* doctrine may be relevant in assessing the legality of arrangements to deny airlines access to airports. In *Parker*, the Supreme Court held that an anticompetitive California raisin market program which derived its authority and its efficacy from the legislative command of the State was not a violation of the Sherman Act, because it was ordered and enforced by a State commission operating under the mandate of an intentionally anticompetitive State statute.

The Supreme Court assumed that the program would violate the Sherman Act if it were organized and made effective solely by virtue of the conspiracy of private persons, but held that Congress never intended the act to apply to the sovereign actions of the State. The Court emphasized that anticompetitive conduct will be considered "State action" only if such conduct is mandated by the State through legislative direction.

The Court noted that a State's mere approval of anticompetitive conduct does not qualify as "State action" under *Parker.*

In its most recent *Parker* opinion, the Supreme Court found that no antitrust immunity was conferred on private parties engaged in a resale price maintenance scheme mandated under the California Business and Professions Code. The Court found that although the legislative policy was clear in its purpose to permit a resale price maintenance program, the State of California neither monitored market conditions nor engaged in any pointed re-examination of the program. The State did not review the reasonableness of price schedules or regulate the terms of fair trade contracts. Consequently, the Court held that the State's involvement in the price setting program was insufficient to bring the program within the "State action" doctrine.

As *Parker* and successive cases have made clear, the applicability of the "State action" doctrine to a particular anticompetitive activity depends in each instance on the exact nature of the legislative mandate and the extent of the State's involvement in supervising the activity.

The applicability of this doctrine to airport operators has been considered in several lower court opinions. One of them in California involved a suit brought against several car rental companies for attempting to influence local airport officials to restrict entry into the on-site car rental market at 140 airports. The defendants chose three test airports to be the focus of their motion for summary judgment predicated in part on a claim of State action immunity from the antitrust laws. All three airports were owned and operated by local governmental units pursuant to broad grants of authority from the States to maintain and operate airports.

The district court found that although the local governmental units were authorized to operate airports, they had no legislative mandate to make decisions having anticompetitive effect. The court concluded that the decisions by the local authorities to restrict the number of car rental concessions at the airports were made not to implement any State policy, but merely to maximize airport revenues. A showing of general authority to operate the airports was found by the court to be insufficient to establish State action immunity.

However, the *Airport Car Rental* case also made clear that the "State action" doctrine could insulate from antitrust attack a variety of anticompetitive restrictions on access to airports if the owners or operators of airports act pursuant to a legislative command and are subjected to active State supervision.

It's our position, the Department's position, that the current method of allocating airport slots, the scheduling committee process, is anticompetitive and economically inefficient. We've urged the FAA and the CAB to replace the airline scheduling committees with some type of free market mechanism that would achieve compliance with FAA's slot restrictions while assuring that the available slots go to the carriers most able to utilize them efficiently at the lowest possible cost to the carriers, and ultimately, the consumer.

One of those methods is an auction system, and we're prepared to discuss that together with the antitrust problems with you this afternoon.

Thank you, Mr. Chairman.

Mr. **Anderson**. Thank you, Mr. Flexner.

On page 11 of your testimony, you suggest the scheduling committee method of allocating slots discourages competition between incumbents and new carriers. Is this a theoretical conclusion, or can you point to actual situations where competition and new entry were inhibited?

Mr. **Flexner**. Well, Mr. Chairman, we've had one immediate and recent experience in the context of our participation before the CAB in evaluating the Eastern Airlines-National merger. We discovered in a number of airports that these kinds of restrictions were beginning to take hold, and that there were problems of access to markets such as Orlando and Miami.

Mr. **Anderson**. What were some of the instances in the case of these?

Mr. **Flexner**. I can't give you the precise details, but they were of the kind that Mr. Onstad mentioned this morning involving the Orange County airport. And I must say, Mr. Chairman, that our concern derives from what I think is a rather obvious fact, and that is that since the Airline Deregulation Act has gone into effect, entry has begun to be a fact of life in the airline industry. This is obviously a marked departure from existence under regulation, and what we expect to see in airports like those in New York, Chicago, National, and others as well, is that as the opportunities for entry increase, and as the opportunities for expansion of existing operations increase, the issue of scheduling committees will become more and more crucial. The fact is that under the current scheme, competitors will make the decisions on whether or not new entrants can come into a market, and whether existing competitors can expand. That's a very dangerous situation, and one where in the past courts have held that that kind of power should not be committed to competitors to exercise.

Mr. **Anderson**. You're the one who suggested the scheduling committee method of allocating slots discourages competition. That only applies, I believe, to four airports; that's O'Hare, LaGuardia, National, and JFK, I believe.

Mr. **Flexner**. That's correct.

Mr. **Anderson**. And you cited Orange County. Can you be specific of some instance where the scheduling committee has discriminated against new entrants?

Mr. **Flexner**. I'm sorry. You're correct. What I had in mind was the effect of leasing arrangements in the latter instance. What I said later on, Mr. Chairman, was that I think it's clear that as a result of airline deregulation there is going to be, and will be, and has been, an increasing amount of new entry sought.

Mr. **Anderson**. But that wouldn't affect the scheduling committee.

Mr. **Flexner**. Yes, sir, I think it would, because the scheduling committee would have to decide whether anyone who sought to be a new entrant, or to expand entry, could use the scarce airport facilities at the New York airports, O'Hare——

Mr. **Anderson**. Has there been any problem at those four specific airports?

Mr. **Flexner**. I'm not aware of any specific problem that has emerged.

Mr. **Anderson**. Well, maybe I should say, if you cannot point to any actual problem, why replace a system that is working with a highly theoretical new system which could have unforeseen adverse effects?

Mr. **Flexner**. Well, Mr. Chairman, I do not think it is a theoretical problem to worry about competitors having the ability to control access by other competitors. That has never been a theoretical problem in the past; it has always been a real problem. The cases that I have cited to you involving *Terminal Railroad*, which is a transportation facility, and the *Associated Press*, were problems quite similar to the kind of thing we are discussing today.

We are talking about a system or a scheme where direct competitors are given the power to control whether or not the new entrants can get in if, as, and when it becomes appropriate for new entrants to try. That kind of system ought to be of great concern to this committee, especially in light of the fact that the Congress has recently decided that competition is the policy that ought to be followed in the airline industry. It is a system where competition could easily be thwarted by reason of the exercise of what is essentially a governmental power by private competitors.

Mr. **Anderson**. But has it at any one of those four airports? I mean, has competition been thwarted at National, for example?

Mr. **Flexner**. Mr. Onstad mentioned a couple of instances this morning that may indicate that that is beginning to happen, particularly the one with Frontier Airlines.

I cannot give you a specific instance at this moment, Mr. Chairman, but I think the concern is nevertheless realistic, wherever you have a situation where an essential resource—and I think we can all agree that an airport such as LaGuardia or JFK is an essential resource—is controlled in terms of access by existing competitors; that has to be considered a potential problem, even if it is not a problem today.

Mr. **Anderson**. If carriers were required to pay for slots as you suggest, wouldn't slots be purchased primarily by carriers operating long-haul services with large aircraft, who could afford to pay the most?

Mr. **Flexner**. It might well be the case that the carriers that would purchase the slots at whatever price would be those carriers that thought that they could make money and it may be that those are the long-haul carriers.

Mr. **Anderson**. Wouldn't this interfere with the provisions of essential air service to small communities under the Deregulation Act?

Mr. **Flexner**. I would think, Mr. Chairman, if the assumptions of Congress are correct—namely, that in an era of deregulation, the market will best determine where and how and what levels of service are to be provided—if there is a sufficient level of service to be provided in various geographic areas, that will provide the stimulus for air carriers to bid sufficiently in order to obtain rights to serve in the particular airports that we are discussing, namely, JFK, LaGuardia, O'Hare, and so on.

Mr. **Anderson**. That was not our assumption, though, for essential air service. That is why we even have to subsidize in many cases. I do not see how a small airline coming into a big airport could in any way compete with a big one, if it is on a slot basis, unless, as somebody else mentioned, you set aside different categories. Then we are back into the regulation business.

Mr. **Flexner**. Well, we are inevitably into a certain degree of regulation, since it is the Government that ultimately will provide the constraints within which this issue of access arises in the first place. My assumption is that with the subsidy and with the demand for that service, carriers will be able to compete to acquire the necessary rights to serve.

Mr. **Anderson**. If the carriers had to pay for slots, wouldn't there be a windfall profit for airports, and higher fares for airline passengers?

Mr. **Flexner**. I do not know what a windfall means. An airport——

Mr. **Anderson**. Well, one that they did not expect, I guess, that just came by accident.

Mr. **Flexner**. I think they would have an expectation that they would earn whatever it was that the service was worth. If it turned out that the bids were high, certainly consumers would pay for that, and it seems to me that that is appropriate, since it would be at those airports which were most congested and which were most difficult to enter. Therefore, it would mean that those consumers who had to use those airports were those consumers who valued the use of those airports the greatest, and it would mean that they were bearing the appropriate amount of the rate for the use of those airports.

Mr. **Anderson**. Wouldn't that sort of put the airport in the role of being a monopolist. They would have total control.

Mr. **Flexner**. There is absolutely no question but that in that sense, an airport is a monopolist. But right now, the way the system works is that the use of the airport is free, and the decision on how to allocate this free but scarce resource is made by the carrier's competitors. And I suppose my notion is that you will have a better result if the airport is making the decision on the basis of maximization of revenues than if you have competitors making decisions on the basis of their private interest that may be directly in conflict with the interests of their competitors.

Mr. **Anderson**. Wouldn't the auction system require that slots be put up for auction frequently, and if so, wouldn't the possibility of losing a slot discourage the investment needed to establish service at an airport?

Mr. **Flexner**. Mr. Chairman, I think that you are right. I think that to avoid giving any carrier a monopoly, the slots would have to be let and relet. I would assume there would be an aftermarket for these auction rights; that carriers could in turn sell the rights that they had acquired and that other carriers could buy their way in. And I further assume that when the renewed or second round of auction took place that those carriers that had done well would bid again, based on their expection of service, and that this would be a way of ensuring that access was nondiscriminatory, and that the carriers who valued access to the airports the greatest would have an opportunity to bid.

Mr. **Anderson**. Would you explain what you mean by "aftermarket"? What does that cover?

Mr. **Flexner**. If, for example, United had bid for and received six slots——

Mr. **Anderson**. For, say, 1 year.

Mr. **Flexner** [continuing]. For, say, 1 year, United could turn around and sell two of its slots. Let us say it made a mistake. Let us say two of the slots it could not use, or did not use as much as it expected. It could turn around and sell or lease or whatever those slots to some other carrier that could make use of them.

Mr. **Anderson**. Of those six slots for the balance of the year.

Mr. **Flexner**. That is correct.

Mr. **Anderson**. At the end of the year, there would be nothing left.

Mr. **Flexner**. That is correct.

Mr. **Anderson**. They would have no interest in the next six, and they would have to start fresh again.

Mr. **Flexner**. You would start over, yes.

Mr. **Anderson**. Now, the Senate bill includes a provision which, as I understand it, seeks to make airports subject to the antitrust laws. Do you think that this is a good method of dealing with issues of airport access?

Mr. **Flexner**. I can think of three ways to do it, Mr. Chairman. One way is obviously the way that it is being done at present, which is a function of agreement among competitors, where there is a scarcity of access or an access problem.

A second way is through regulation, like the FCC does in distributing scarce radio spectrum. That involves determinations between competing carriers on the basis of standards like public convenience and necessity, the public interest, and also involves comparative renewal hearings.

My sense is the Congress wanted to go in quite a different direction than that when it passed the Airline Deregulation Act.

The third way to do it is through some sort of market system, and a market system means a situation where the antitrust laws serve as a referee to insure that arrangements are not unfair.

Our strong preference is to try a market system approach, to try antitrust principles and antitrust policies as a way to deal with the problem of discrimination, the problems of unreasonable and exclusionary arrangements. I do not know that it is a perfect system, Mr. Chairman, but I think that there have been doctrines developed in the law that deal with the kinds of problems that we have been discussing. In addition, the administration's bill has—and it was much discussed this morning—a provision under which unilateral, but nevertheless arbitrary and discriminatory, acts by an airport operator could be dealt with first by the Secretary of Transportation and, failing that, by court action brought by the aggrieved carrier.

Mr. ANDERSON. Does staff have questions?

Mr. FILLER. Mr. Flexner, I just have one question. In your testimony, you seem to imply that it would be a good idea to set up a demonstration program of some sort to determine which of these various methods might be the best.

Could you give us some specifics as to how this should be set up?

Mr. FLEXNER. Well, Mr. Seiden has informed me that last month, we attended a mock auction conducted by the FAA. I was surprised to learn that some of the slots that were offered up, sold, for lack of a better word, in some instances for only $200—I had imagined that, as the chairman did by his question, that there would be windfalls involved.

I do not have any precise recommendation as to the form of the experiment that ought to be conducted. I know the FAA is working on that right now, and I think the CAB is, as well. I do believe that we ought to try different methods. Leasing and auctions, if you will, have worked in the area of scarce mineral resources, OSC leasing and coal leasing. It is something I think we can try. We have said that we think there ought to be a period of experimentation beyond what the FAA is already doing, and the CAB is already doing. I do not have any precise recommendations.

Mr. FILLER. Thank you, sir.

Thank you, Mr. Chairman. No further questions.

Mr. ANDERSON. Thank you, Mr. Flexner. I appreciate your presentation.

Our next witness is Clifton Moore, general manager of the department of airports, Los Angeles.

Mr. Moore, the full text of your prepared statement will appear in the record at this point.

[Statement referred to follows:]

Testimony of Clifton A. Moore, General Manager of the Los Angeles Department of Airports, Before the Subcommittee on Aviation of the House Committee on Public Works and Transportation on Thursday, March 27, 10:00 a.m., Room 2167, Rayburn House Office Building

Our testimony today is confined to airport access questions. Airport access at Los Angeles International Airport is becoming a severely critical factor. The Council of the City of Los Angeles has been concerned for some time over the size of Los Angeles International Airport as it relates to the community and, most particularly, the ability of the community to deal with those aspects of airport operation that impinge directly on community life and processes. I will address these issues as answers to the specific questions raised by the Committee.

(1) TO WHAT EXTENT SHOULD AN AIRPORT BE OBLIGATED TO OFFER ACCESS TO ITS FACILITIES TO ALL PERSONS PROVIDING AIR TRANSPORTATION WHO WISH TO USE THEM? WHAT LAWS AND PROCEDURES SHOULD BE USED TO ENFORCE SUCH OBLIGATIONS? WHAT EFFECT SHOULD BE GIVEN TO CONTRACTS BETWEEN AIRPORTS AND AIR CARRIERS WHICH LIMIT THE ABILITY OF OTHER AIR CARRIERS TO GAIN ACCESS TO THE AIRPORT?

An airport should be obliged to offer access to its facilities to all persons requesting the use of its facilities on a non-discriminatory, non-arbitrary basis, both from the standpoint of the traveling public as well as the airlines using or attempting to use the premises. The facilities offered, however, may be limited in nature. Such limitations may come about due to flight safety, airways, airfield, terminals, ground access or security restrictions. Restrictions that are found to be necessary in the case of safety or airways requirements should be enforced by federal law and procedure. Security restrictions may be jointly enforced by local and federal authorities. Restrictions in terminal use or ground access should be implemented by local government ordinance or airport proprietor regulations enforced in a non-arbitrary, non-discriminatory fashion. Existing contracts between airports and air carriers which limit the ability of other air carriers to gain access to the airport are beginning to be a source of problems in some areas at Los Angeles International Airport. To date, we have been successful in persuading existing carriers to accept new carriers on a voluntary basis. However, if the growth in new carriers applying to use the facilities at Los Angeles continues, it is possible that the point may be reached where contract reformation or possibly even condemnation of contract rights may be necessary in order to ensure non-discriminatory use of the premises, until other limitations are reached.

(2) UNDER WHAT CIRCUMSTANCES SHOULD THERE BE RESTRICTIONS ON OPERATIONS AT AN AIRPORT TO MEET PROBLEMS OF SAFETY OR AIR OR GROUND CONGESTION? SHOULD THE AIRPORT OR THE FEDERAL GOVERNMENT DECIDE WHEN SUCH RESTRICTIONS SHOULD BE IMPOSED?

There may be restrictions on operations at an airport to meet the problems of safety, security, air or ground congestion, and in addition, environmental restrictions. As I have earlier stated, safety or air matters remain federal and should respond to federal control. Security may be enforced jointly. Ground congestion and terminal congestion, however, are local matters and, in our view, when the local government and local proprietor find that they have reached a practical limit in their efforts to resolve ground access, environmental, or terminal problems, they are then entitled to place restrictions by local ordinance or regulation on the use of the airport in order to prevent oversaturation. In order to avoid such saturation, the City of Los Angeles, acting through its Department of Airports (a proprietary agency), has acquired Ontario International Airport on the eastern side of the Los Angeles population area, has entered into a joint powers agreement for operation of service at Palmdale, California, and has already invested 85 million dollars in acquiring a site for a new airport at Palmdale for larger scale service in the northern part of the metropolitan area. Despite these measures, large numbers of passengers are exported by adjoining population centers to Los Angeles International Airport, thereby adding to the problems at Los Angeles International. Attempts are being made on a regional basis to overcome the lack of airport capacity in these areas of need but solutions are a long way off. The only relief obtained so far has been the recent efforts to preserve Burbank Airport in a limited fashion.

(3) IF OPERATIONAL LIMITATIONS ARE IMPOSED UNDER (2) ABOVE, WHAT PROCEDURES SHOULD BE FOLLOWED TO ALLOCATE THE AVAILABLE "SLOTS"? HAVE EXISTING SCHEDULING COMMITTEES BEEN SUCCESSFUL IN ALLOCATING SLOTS AT THE AIRPORTS? HAVE OTHER METHODS BEEN USED BY AIRPORT OPERATORS TO ALLOCATE SLOTS? SHOULD DEMONSTRATION PROGRAMS BE UNDERTAKEN TO EXPERIMENT WITH DIFFERENT ALLOCATION PROCEDURES?

The method used at an individual airport for resolving capacity problems may vary from airport to airport. In the case of Los Angeles International Airport, we have always retained control of the aircraft parking positions and, therefore, look to aircraft parking control as an appropriate measure for resolving capacity issues. Where aircraft parking control is not possible, we believe that flight slot allocations would probably be the most satisfactory device. We do not have enough information or experience to determine what is the best method for handling slots. It is possible that some benefit may be obtained from prototype programs undertaken to experiment with flight slot allocation. Wherever possible, airlines should be allowed the opportunity to resolve the issues among themselves, with government intervention only when airline agreement fails.

(4) WHAT TYPES OF RESTRICTIONS SHOULD AN AIRPORT OPERATOR BE PERMITTED TO IMPOSE TO REDUCE AIRCRAFT NOISE? SHOULD THE FEDERAL GOVERNMENT BE REQUIRED TO APPROVE ANY SUCH RESTRICTIONS? SHOULD THERE BE CHANGES IN THE LEGAL PRINCIPLES GOVERNING LIABILITY FOR INJURY TO PERSONS AND PROPERTY FROM AIRCRAFT NOISE?

An airport operator should be permitted to impose noise regulations at a given airport as long as such regulations are non-arbitrary, non-discriminatory and not an undue burden on interstate commerce. We believe we have adopted such a regulation at Los Angeles International Airport. A copy of this is attached for the Committee's information. It is interesting to note that a representative of the Federal Aviation Administration did testify in support of our regulation before the Los Angeles City Council. Of great concern is the recent California Supreme Court decision in the Greater Westchester Case, which appears to burden the airport proprietor for the first time with claims for personal injury due to nuisance. We have recently filed a Petition for Writ of Certiorari in the Supreme Court of the United States which deals at length with the legal issues and problems raised by this decision of the California Supreme Court. A copy of this fairly lengthy document has been furnished to the Committee Clerk so that you may attach it to the record if you wish.

If, however, after legal channels are exhausted, the nuisance still remains a cause of action, airport proprietors must be allowed to restrict aircraft operations at least until such time that the proprietor is able to develop a "nuisance-proof" environment.

Recent enactment into law of the Aviation Safety and Noise Abatement Act of 1979 will be of some help in preventing spread of nuisance. However, further reinforcement of this concept probably should be undertaken by federal legislation.

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Tom Bradley, Mayor

Board of
Airport Commissioners
Stephen C. Bilheimer
President
Elizabeth K. Armstrong
Vice President
Robert E. Collins
Mary Lou Crockett
Samuel Greenberg

Clifton A. Moore
General Manager

RESOLUTION NO. 11650

WHEREAS, aircraft noise has been of significant concern at Los Angeles International Airport since the advent of the jet age in 1959; and

WHEREAS, in 1969, the State of California adopted an Airport Noise Law and thereafter approved noise regulations requiring airport operators to reduce the noise impact of jet aircraft in the vicinity of California airports; and

WHEREAS, a three-judge federal panel of the United States District Court for Northern California issued a Memorandum Opinion in the case of Air Transport Association v. Crotti, etc., et al., a case to which the City of Los Angeles was a party, which Opinion concluded that the California Noise Regulations above referred to are constitutional on their face with respect to Community Noise Equivalent Levels (CNEL) and that the airport proprietor has certain duties, rights, obligations and powers in this regard; and

WHEREAS, in Aaron, et al. v. City of Los Angeles, the California Court of Appeal imposed liability upon the airport proprietor for the diminution in property values due to noise emanating from jet aircraft operating to and from Los Angeles International Airport; and

WHEREAS, in Japan Air Lines, et al. v. City of Los Angeles, the California Court of Appeal held, as to property damage under the law of eminent domain that the City of Los Angeles is not entitled to indemnification from air carriers operating at Los Angeles International Airport; and

WHEREAS, the Board of Airport Commissioners has been fully apprised of the holdings of the United States Supreme Court in Griggs v. Alegheny County and Lockheed Air Terminal, Inc. v. City of Burbank, the Federal Circuit Court of Appeals Opinion in the Concorde 1 and 2 cases with respect to the Port Authority of New York and New Jersey, and the Federal District Courts' Opinions in National Aviation v. City of Hayward and San Diego Unified Port District v. Gianturco, which relate in various ways to the rights, duties, obligations and powers inherent in an airport proprietor with regard to the liability for and the control of jet aircraft noise; and

WHEREAS, the City Attorney of Los Angeles has reported to the Board of Airport Commissioners on numerous occasions by virtue of the above-referenced statute, decisions and the common law rights vested in the airport proprietor, that said Board has the obligation, duty and right to take affirmative steps to reduce the noise impact of aircraft using Los Angeles International Airport; and

WHEREAS, the Board of Airport Commissioners, pursuant to Resolution dated February 24, 1975, instructed the General Manager to prepare definitive regulations with regard to the subject matter and, subsequent to said instructions, the Board of Airport Commissioners adopted Resolution No. 9459, as amended by Resolution No. 9800 establishing a Noise Control Regulation for air carriers having operating agreements at Los Angeles International Airport, which were thereafter sent to the Los Angeles City Council pursuant to the City's Charter; and

WHEREAS, pursuant to City Council action, the matter was returned to the Board of Airport Commissioners for further review and amendment in light of the promulgation of the Federal Aviation Noise Abatement Policy and Part 91.00(e) of said Federal Regulations, which for the first time established a federal noise program and policy for commercial jet aircraft at airports; and

WHEREAS, in response to said review, the Board of Airport Commissioners caused to be held various public hearings with respect to the amendments made to said proposed noise regulation, which amendments were widely distributed to all concerned parties; and

WHEREAS, pursuant to said process, public meetings and hearings were held on October 20, 1977, January 5, 1978 and January 19, 1978 affording the opportunity for comments by governmental agencies, elected officials, industry representatives, airport neighbors and the members of the general public, which meetings and hearings were thoroughly covered by the news media and widely attended by the public which resulted in the enactment of Resolution No. 11325; and

WHEREAS, on September 11, 1978, the Board of Airport Commissioners forwarded to the Los Angeles City Council a Noise Control Regulation, as set forth in Resolution No. 11325, for implementation pursuant to the provisions of the Charter of the City of Los Angeles; and

WHEREAS, thereafter the Federal Aviation Administration, through its Chief Counsel's Office, asked for further consultation with the City with respect to the provisions of the Regulation; and

WHEREAS, pursuant to that request, numerous discussions were held between representatives of the Federal Aviation Administration's Chief Counsel's Office, the Los Angeles City Attorney's Office, Senior Airport Management, and senior representatives of the Federal Aviation Administration with respect to the Noise Regulation; and

WHEREAS, the Federal Aviation Administration indicated that if certain changes were made in the Regulation, the Federal Aviation Administration would support the enactment of said Regulation by the City; and

WHEREAS, certain changes were thereafter made to the Regulation which in turn necessitates the rescission of previously enacted Resolution Nos. 9459, 9800 and 11325; and

WHEREAS, the Board of Airport Commissioners has reviewed the recommendation of the General Manager and considered other practical alternatives to this Regulation, and found that the Regulation to be a reasonable, feasible and legally appropriate method of reducing the impact of jet aircraft engaging in revenue operations at Los Angeles International Airport; and

WHEREAS, pursuant to the powers of the Board of Airport Commissioners contained in the City Charter of the City of Los Angeles, the Board of Airport Commissioners finds that the Regulation achieves a balance between the needs of the community impacted by jet aircraft noise, the needs of the City of Los Angeles and the region served by Los Angeles International Airport as a whole, and the requirements of the air carriers operating at this facility;

NOW, THEREFORE, BE IT RESOLVED that the Board of Airport Commissioners of the City of Los Angeles does hereby rescind said Resolution Nos. 9459, 9800 and 11325 and, consistent with the foregoing, establishes a Noise Control Regulation applicable in all respects to each and every affected aircraft that now operates of in the future may operate at Los Angeles International Airport as follows:

1. Purpose--The purpose of this Regulation is to reduce aircraft noise in the communities surrounding Los Angeles International Airport by (a) the establishment of an aircraft noise limitation for new types and classes of aircraft which seek to commence operations at Los Angeles International Airport; (b) the implementation of a three-phase compliance program with FAR Part 36 noise criteria to be completed by January 1, 1985; and (c) the assurance that all affected aircraft shall conform to FAR Part 36 noise criteria by January 1, 1985.

2. Effective Date--This Regulation shall take effect on the date it becomes effective as an ordinance and shall remain in full force and effect until amended, modified or rescinded.

3. Definitions
   (a) Affected Aircraft--All revenue aircraft operating at Los Angeles International Airport weighing 75,000 pounds or more, excepting therefrom military aircraft.
   (b) Affected Aircraft Operation--A revenue landing or revenue takeoff of an affected aircraft at Los Angeles International Airport.
   (c) Aircraft Operator--That organizational entity responsible for an affected aircraft operation at Los Angeles International Airport of an affected aircraft in interstate and/or foreign commerce pursuant to the terms of the Federal Aviation Act of 1958, as

amended, and/or in intrastate commerce pursuant to the provisions of the California Public Utilities Code.

(d) Airport--Los Angeles International Airport.

(e) Board--The Board of Airport Commissioners, City of Los Angeles, as described and defined in Article VI, Section 70, et seq. and Article XXIV, Section 238, et seq. of the Charter of the City of Los Angeles.

(f) FAA--Federal Aviation Administration.

(g) Federal Aviation Regulation Part 36 (FAR Part 36) Noise Criteria--The noise criteria for issuance of type certificates for affected transport category aircraft are as defined in Title 14, Code of Federal Regulations, Chapter 1, Part 36, as in effect on December 1, 1969. For purposes of this Regulation, those affected aircraft which are certificated and comply with the International Standards and Recommended Practices--Aircraft Noise, in effect on December 1, 1969, pursuant to Annex 16, Part II, of the International Civil Aviation Organization (ICAO), shall be deemed to meet FAR Part 36 criteria except that aircraft which require runway length of 450 meters or less at maximum certificated weights for airworthiness shall be presumed to meet such criteria.

(h) Foreign Aircraft Operator--A foreign air carrier engaged in foreign air commerce as both of said terms are defined in Federal Aviation Regulation Part 1.

(i) General Manager--General Manager of the Department of Airports, as described and defined in Article VI, Section 70, et seq. and Article XXIV, Section 238, et seq. of the Charter of the City of Los Angeles.

(j) Noise Value Limitations--The noise value limitations for each monitoring station based on aircraft noise measurements during the first 180 days of 1978 at Airport. These prescribed noise values were determined by a systematic adjustment of the dBA sound pressure levels at each of the twelve noise monitoring stations in the vicinity of Airport until no more than 2% of the daily operations at each of the stations exceed the resultant established noise values. The noise value limitations are shown on Exhibit A, attached hereto and dated July 24, 1978.

(k) Program Period--The program period of this Regulation shall be defined as the period commencing with the effective date of the ordinance approving this Regulation and continuing thereafter until otherwise modified.

4. Applicability--This Regulation shall be applicable in all respects to each and every affected aircraft that now operates or in the future may operate at Airport. It shall further be applicable to each aircraft operator that seeks to operate a type or class of aircraft at Airport, as provided in Part 1 of this Regulation, weighing 75,000 pounds or more.

5. Regulation

Part 1--To achieve the purpose of this Regulation as stated in paragraph 1(a), an aircraft operator that seeks to commence affected aircraft operations at the Airport with a type or class of aircraft that was not utilized in regularly scheduled passenger or cargo service by any aircraft operator at Airport during the first 180 days of 1978 shall obtain Board approval prior to commencing operations. The General Manager shall administratively furnish a list of aircraft utilized in regularly scheduled passenger or cargo services by any aircraft operator at Airport during the first 180 days of 1978. In order to obtain Board approval, the aircraft operator as a part of the entry criteria must furnish evidence that the operation of said aircraft will not exceed any of the established noise value limitations at any one or more of the noise monitoring locations, as shown on Exhibit A, by more than 2% of said aircraft's total operations on either a takeoff or landing at the Airport, during the first 90-day period of proposed operations.

When furnishing evidence to the Board that an affected aircraft has the ability to comply with this Part of the Regulation, an aircraft operator shall be required to provide appropriate environmental assessment information to validate conclusions and compliance ability by reference to established noise levels for that particular type or class of aircraft as prescribed by the FAA. The Board reserves the right to validate the affected aircraft's compliance ability through the utilization of actual flight noise measurements for the initial 90-day period of operations. In the event such actual flight noise measurements exceed the established noise value limitations as shown on Exhibit A, by more than 2% of said aircraft's total operations on either a takeoff or landing at the Airport, the Board shall rescind its previously granted approval and said aircraft shall no longer engage in affected aircraft operations at Airport. An aircraft which has been certificated by the FAA to be in compliance with the noise criteria of FAR Part 36, as defined herein, prior to commencement of operations, shall be presumed to meet the requirements of Part 1 of this Regulation.

Except as specifically approved and authorized by the FAA, no affected aircraft, including those engaged in the initial 90-day period of operations, shall utilize revised operational flight techniques at the Airport which would increase the established noise levels as shown on Exhibit A. However, this requirement does not apply to missed approaches, easterly departures, safety considerations, or other affected aircraft operations due to weather phenomena.

Part 2--To achieve the purpose of this Regulation as found in paragraph 1(b), a three-phase program to achieve compliance with FAR Part 36 noise criteria is required to be completed by 1985 in order to reduce jet aircraft noise in the communities surrounding the Airport.

Aircraft operators shall not conduct affected aircraft operations at the Airport unless such aircraft conform to the criteria of FAR Part 36, consistent with the following compliance schedule:

(a) By January 1, 1981 and continuing thereafter:
  (1) At least 25% of the aircraft operated into the Airport in all affected aircraft types or classes that have four engines with no bypass ratio or with a bypass ratio less than two.
  (2) At least 50% of the aircraft operated into the Airport in all other affected aircraft types or classes.
(b) By January 1, 1983 and continuing thereafter:
  (1) At least an additional 25% of the aircraft operated into the Airport in all affected aircraft types or classes that have four engines with no bypass ratio or with a bypass ratio less than two.
  (2) 100% of all other affected aircraft operated into the Airport.
(c) By January 1, 1985 and continuing thereafter: 100% of the aircraft operated into the Airport in

all affected aircraft types or classes that have four engines with no bypass ratio or with a bypass ratio less than two.

Part 3--Notwithstanding the provisions of Parts 1 and 2 of this Regulation and to achieve the purpose of the Regulation as found in paragraph 1(c), by January 1, 1985, all affected aircraft operating at the Airport must be certificated to the noise criteria of FAR Part 36.

6. Compliance--In order to demonstrate compliance with Parts 2 and 3 of this Regulation, commencing with the first calendar quarter after January 1, 1981, and each quarter thereafter, each aircraft operator shall submit a quarterly report to the Department of Airports that identifies all affected aircraft that have operated at the Airport during the preceding quarter by: (1) type or class; (2) registration number; and (3) compliance with Part 36 noise criteria. Each aircraft operator's required quarterly report shall be submitted to the Department of Airports within 20 days after completion of each calendar quarter.

The General Manager shall provide those administrative procedures necessary for reporting compliance with this Regulation.

7. Variances--The Board may grant a variance from Part 2(a) and/or (b) of this Regulation upon written application made no later than 90 days prior to the initial compliance dates provided

therein. The request for a variance must be accompanied by a proposed alternative program that achieves the objectives contained in this Regulation. In the consideration of the variance request, the Board or its designated officer shall give notice and hold a public hearing to receive all information relevant to the request.

Upon application, the Board shall grant a variance from Part 2(a) and/or (b) of this Regulation as follows:

(a) To a foreign aircraft operator.

(b) To that portion of an aircraft operator's fleet for which the aircraft operator has an FAA approved plan in accordance with Federal Regulation Section 91.305.

(c) To that portion of the fleet of a United States flag aircraft operator that has an approved FAA apportionment plan as provided in Federal Regulation Section 91.307.

In all other circumstances, the Board shall grant a variance if the public interest would be satisfied by such a variance. In weighing the public interest, the Board shall consider the following:

(a) The ability of the aircraft operator to effectuate new aircraft delivery or the retrofitting of existing aircraft in a timely manner.

(b) The economic feasibility of complying with the Regulation.

(c) The noise impact should the variance be granted.

(d) The value to the public of the services for which the variance is sought.

(e) Whether the aircraft operator is taking measures which achieve the objectives of this Regulation.

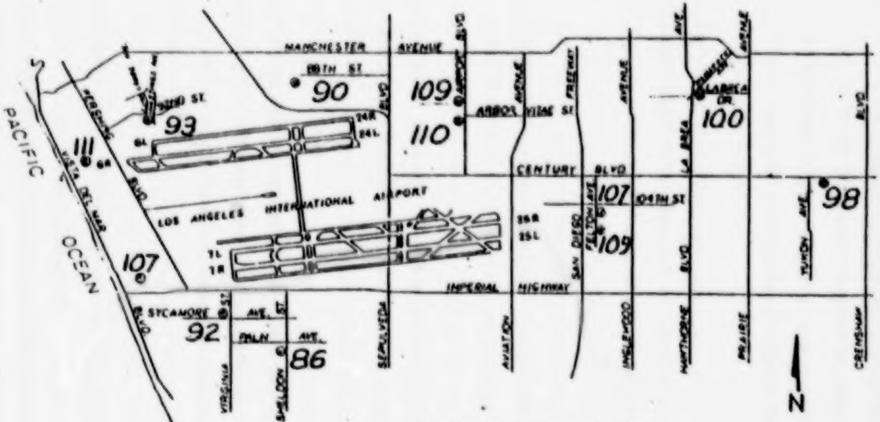
The burden of proof shall be upon the applicant for a variance. The Board shall make findings on the merits of said request based on the aforementioned criteria and either grant or deny the request.

In no event shall a variance be granted herein for a period beyond December 31, 1984.

8. Enforcement and Penalties--Any aircraft operator that fails to comply with any part of this Regulation shall be subject to loss of its operating rights at the Airport.

Prior to initiating enforcement proceedings, the subject aircraft operator shall be notified in writing of the violation and shall be afforded the opportunity to respond thereto at a public hearing.

9. Severability of Regulation--If any provision of this Regulation or the application thereof is held unconstitutional or otherwise unlawful, the remainder of the Regulation and the application of same shall not be affected thereby.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PACIFIC
OCEAN
LOS ANGELES INTERNATIONAL AIRPORT
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AVIATION
SAN DIEGO
FREEWAY
INGLEWOOD
AVENUE
HAWTHORNE
BLVD
LA BREA
AVE
LA BREA DR
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PRAIRIE
AVENUE
YUKON AVE
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● - REMOTE MONITORING SITE

EXHIBIT "A"
Maximum Noise Limitations in dBA for each Monitoring Station at LAX. The State of California has certified the LAX Noise Monitoring System to be accurate within plus or minus 1.5 dBA

July 24, 1978

BE IT FURTHER RESOLVED that the required environmental review has been fully considered in connection with the Negative Declaration for the Proposed Noise Control Regulation, which was processed in compliance with the requirements of the California Environmental Quality Act and adopted by the Board. Accordingly, approval of the Noise Control Regulation is exempt from the requirements of CEQA as provided by Article III, Section 2.i. of the Los Angeles City CEQA Guidelines.

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I hereby certify that the foregoing is a true and correct copy of Resolution No. 11650 adopted by the Board of Airport Commissioners at a regular meeting held Monday, May 7, 1979.

Elaine E. Staniec

Elaine E. Staniec - Secretary
BOARD OF AIRPORT COMMISSIONERS

Mr. Anderson. Please proceed.

TESTIMONY OF CLIFTON A. MOORE, GENERAL MANAGER, DEPARTMENT OF AIRPORTS, LOS ANGELES, CALIF., ACCOMPANIED BY SALLY DISCO, CHIEF ASSISTANT CITY ATTORNEY

Mr. Moore. Thank you, Mr. Chairman.

My attorney is here, but she is down having lunch, so perhaps later she will join me.

I will not attempt, Mr. Chairman, today to read the statement which you have received, I understand, well in advance.

Mr. Anderson. We do have your prepared statement. You can read it, extemporize, however you may wish. It will be inserted in the record following your oral testimony.

Mr. Moore. I only wish to say about it that the statement is basically drawn around the questions which the committee asked. We are concerned in our testimony today primarily only about the question of airport access, which is becoming a significant question at Los Angeles International Airport.

We make certain points in the discussion. We do agree that the facility has to be offered to all on a nonarbitrary, nondiscriminatory basis. We do recognize that certain aspects of operating an airport are Federal in nature, such as the control of flight and aviation safety. We think that other things like security are joint responsibilities, but we would like to call to the attention of the committee and the Federal institution generally, to remind you that we do think proprietors still have a few rights left in this mailstream of ideas that have been generated.

So we point out those to you.

We feel that a community, a proprietor or a local agency, having jurisdiction over an airport, do have the right to define the finite capacity of that airport when it affects such things as terminal use or ground congestion or perhaps, in some cases, environmental concerns.

As you know, Mr. Chairman, we have addressed noise to a great degree in Los Angeles, at considerable expense, and are continuing to do so through the so-called ANCLUC studies of the FAA and the local community.

We think the proprietor, at least in our case, has retained the right to control the use of our gates. We do control them where there are conflicts, and we would continue to extend that control as needed. We think the use of gate assignments is an excellent device to ration out the available capacity of the airport.

We suspect that from what we learn about the Federal posture, the use of techniques which reflect the marketplace, such as auction, probably would satisfy some of the need where demand exceeded supply. But I suggest to you that in the case of international carriers, particularly where the foreign nation not only owns the airline but controls everything else, they might well buy all the slots if they chose, and that would certainly keep the U.S. carriers from competing on a fair and equitable basis in our own airports.

So some other device other than just a straight auction probably will have to be found to use in those cases.

Also, we recognize that commuter airlines could not afford to compete with long-haul domestic airlines, and so unquestionably, when the demand exceeds the supply for gate allocations, we are going to have to deal with that in some form of categories that recognize fair competition at a level of competition where it can really take place.

But we do feel that the proprietor does have the right to do this when a reasonable investigation is established that a limitation is being reached.

Mr. Anderson. Mr. Moore, I am going to have to interrupt you there and get over and answer that rollcall. We will stand in recess, and I hope Mr. Fary gets back before I do.

[Short recess.]

Mr. Fary. The subcommittee will resume.

Mr. Moore, please continue.

Mr. Moore. Mr. Chairman, we had partly gone through this, and in the interim, my attorney who was out of the room has now joined us at the table. I would like to state for the committee that sitting with me at the table is the chief deputy city attorney of the city of Los Angeles, Mrs. Sally Disco, in case you have any questions of a legal nature that you might wish to put to her.

To finish the comments, as I had indicated, I did not want to read the entire statement because it would be too time consuming, but I think the fundamental principle that I hope to leave with the committee is that we still believe that the proprietor has certain rights which remain to a proprietor. We think the proprietor has the right to determine on a reasonable and fair basis that there are some limitations that attach to the operation of an airport. In some cases, they may be noise related; in some cases, they may be related to terminal availability, and in some cases, they may be related to such things as congestion on the ground.

We think, as I said just before the break, at Los Angeles, we do have at least one way to approach that entire problem, and that is with the use of our assignment of gates, which we have always reserved as a prerogative of the proprietor. We have only intervened in that where there has been a greater demand than there has been a supply. I think we would continue to face that principle and use it along the way, but that we would, where there is a greater demand than supply, develop a mechanism which we felt was responsive not only to our own needs and the airline needs, but also to the Federal Government's needs with regard to how those spaces would be allocated. And as I indicated again before the break, it could be by auction, it could be by lottery, or perhaps other devices, combinations of both.

We have in fact had such an increase in demand for new carriers at Los Angeles that we have already encountered a few rough spots. I would like to say to the committee that our first approach in each case has been to try to get the airlines to agree to work it out among themselves. We are having some problems where competitive aspects enter the picture. However, we are still encouraged to believe that the airlines will settle the issues and make the determination and allow the increase in schedules on the part of the new carriers to take place. Should they not be able to accomplish that, we would then interpose at a later date our own thinking in the matter.

I think what we see happening is a classic situation that would occur when any concept of how the system is operated undergoes a dramatic change. Most of the airports that were built in the earlier days, like Los Angeles, were built at the time when airlines tried to have unit terminals of their own, where they were partners in the financing of those terminals, and felt that they would have the full and exclusive use of them for a long time, and perhaps until the end of the lease in the future.

Certainly, they did not envision in the early days when these were committed that they would have to have competitors in the same building with them. Under regulatory reform, it appears that they are going to have to accept competitors in the same terminal, and what we find ourselves doing now is picking our way through the various strategies and procedures that are going to be necessary to change from what was the old concept of how the airport operated to what is now a revised concept of how an airport operates. It will not be without its trauma, but I am sure in the final analysis, it will be worked out, and we will have a satisfactory situation.

I think that completes our comments on the statements. We would be glad to answer any questions that you may have.

Mr. **Fary**. Either you, Mr. Moore, or your attorney, Mrs. Disco, may answer any of the following questions.

In your testimony, you indicate that you believe that airport proprietors should be able to impose limitations on operations to reduce congestion or noise. How do you feel about the situation in

Orange County, where a proprietor wants to impose an overall limitation and does not want to force the incumbent carriers to cut back operations so that new carriers can be accommodated? Do you think it is improper discrimination to keep new carriers out when all capacity is being used by incumbents?

Mr. MOORE. Mr. Chairman, let me comment on the situation generally. If there are any legal thoughts, Mrs. Disco will add those to the answer.

In the case of Orange County, it is quite clear that that community has chosen over the years not to expand its terminal facilities. I am not familiar enough with the reasons to know exactly why they have chosen not to do that.

The issue that I do see there, however, is that additional carriers have requested the right to even use the facilities that are available, in common with existing carriers. It would seem to me, if I understand the concept of what the Congress tried to create when it passed regulatory reform, you were insisting on free and open competition among carriers that chose to enter a certain market. It seems to me that in the case of Orange County, all the carriers desirous of entering that market and knowing the circumstances under which they would have to operate there, should be entitled to have a fair chance at sharing that business. And I would apply the same principle to Los Angeles or Ontario or any other airport that we operate. I think that is only an equitable position to take.

Now, it may be that there are other factors with regard to noise that I am not knowledgeable enough about to comment on that might condition that in the case of Orange County.

Mr. FARY. Do you favor the administration's proposal that the Secretary of Transportation be given the authority to modify contracts if necessary to allow new entry?

Mr. MOORE. From what I know of that and the brief opportunity that I have had to ask as to interpretation of what the language means, I think it would be desirable to have that or something similar to that available in the law as a sort of final step to resolve disputes before they would become disputes in the court. I think if we do not have some satisfactory mechanisms—and there may be others that are equally satisfactory, that I am not aware of that could be put in its place—if we do not have those, there will be many of these cases, I am afraid, that will be entering the courts around the United States, and I would think that that would be wasteful of everyone's time and effort.

Mr. FARY. Your testimony indicates that you do not have a position on the best method for allocating slots. Does this suggest that you think that an auction method such as has been proposed on the Polinomics study is a possible solution and worth further consideration?

Mr. MOORE. My feeling about that is I think that is one of the possible methods by which available gates in our case, time slots, perhaps, in other cases, might be made available in a free and open manner in a highly competitive market. I think it has some dangers, however, in that it obviously could not be worked unless there were categories which kept the competitive aspects of it reasonable. For example, I am sure that commuter airlines could not compete for slots with long-haul domestic airlines. I suspect the slot requirements, as I indicated before the break, for handling international airlines might have to be different from that, as well.

Mr. **Fary**. Your position is that local proprietors have the primary responsibility to limit operations through reduced congestion or noise.

Would you agree that the Federal Government should play a role in insuring that any restrictions imposed are not discriminatory or an undue burden on interstate commerce?

Mr. **Moore**. I do believe that anything that a local proprietor does should not be discriminatory and should not be an undue burden on interstate commerce.

Mr. **Fary**. Do you think that any legislation is needed to clarify the roles of the Federal Government and local proprietors?

Mr. **Moore**. I think perhaps it would be helpful if the Federal Government were to indicate further, as they have done in the case of noise, that the local proprietor has some right to develop programs which protect the local proprietor from the negative effects of air transportation. For example, in Los Angeles and in California, we have recently had a case in the supreme court of the State, the city of Los Angeles and Greater Westchester. In that case, the Supreme Court of the State found the airport proprietors for the first time to be liable to pay for the effects of nuisance caused by overflight.

It would seem to me to be unreasonable—well, let me go back a halfstep. In the cease of my city, if any department of the city is creating a nuisance, they are normally ordered to cease and desist forthwith from creating that nuisance. Yet, we have not received such instructions pending hopeful supreme court review of that aspect of it in our petition for writ of certiorari.

It does seem to me, however, that the Federal Government should not be in a position of forcing an airport proprietor to expand and further add to a nuisance, and therefore, should that principle prevail, I would think that Federal law should recognize that a proprietor has a right to take actions to protect itself from the effects of nuisance.

The same thing is also true of excessive ground congestion where the ground congestion gets to be so onerous that the traffic will barely move and where the airport traffic is a factor which could be adjusted to prevent the overburdening of the street systems.

Now, I say all this recognizing that the community would have an obligation to make every effort to improve on all of these circumstances and not just sit idly by and use them as an excuse.

Mr. **Fary**. Would it be helpful to have the Federal Government issue a policy statement, setting forth in detail the types of restrictions it thinks should be allowed?

Mr. **Moore**. I think it would be helpful if the Federal Government could clarify the extent to which it feels a local proprietor and/or others could apply restrictions where those restrictions appear to be necessary in order to provide harmonious operation of the air transportation facilities in the community.

Mr. **Fary**. Although your testimony deals only with airport access, it would be helpful to us to have your views as a proprietor of a large airport on the issue of defederalization. Do you think that LAX would be able to undertake all necessary capital development without a Federal program? What would be the capabilities of other large and medium hub airports?

Mr. MOORE. I can only comment specifically with regard to LAX, and what I am saying now would be the position of the management and not necessarily the position of the city of Los Angeles, which might be slightly different.

But speaking for the management, we have always felt that faced with the absence of Federal funding, that we have up until now been able to negotiate very satisfactory agreements with carriers, and we feel that we could continue to do that.

In light of the recent adoption of the airport noise legislation by this Congress, I think, however, there would be an area which has now been added to our responsibility, that of dealing with community projects in the local communities, that perhaps the airlines would not be willing to participate in, and which probably would require a separate Federal program and separate Federal approach in order to provide adequate programs for those communities and community projects which are impacted by the airport, but which the airlines would be very reluctant to participate in.

I cannot conjecture as to how other airports might want to handle that.

Mr. FARY. I thank you very much, Mr. Moore. That will conclude the questions that I have of you. Thank you very much for your testimony. Sorry to have kept you waiting this long.

Our next witnesses are a panel, Timothy Campbell, executive director, Peninsula Airport Commission, Newport News, Va., and Marshall P. Arnold, director of air service, Louisville and Jefferson County Air Board, Louisville, Ky.

We have copies of your prepared statements, gentlemen, and they will be made a part of the record.

[The statements referred to follow:]

STATEMENT OF TIMOTHY L. CAMPBELL, EXECUTIVE DIRECTOR, PENINSULA AIRPORT COMMISSION, PATRICK HENRY INTERNATIONAL AIRPORT, NEWPORT NEWS, VA.

Mr. Chairman and Members of the Subcommittee, The Peninsula Airport Commission is the owner and operator of Patrick Henry International Airport, a small hub airport serving the Virginia Peninsula communities of Newport News, Hampton, York County, James City County and Williamsburg. In 1977, 175,567 passengers were enplaned at Patrick Henry, 167,173 pasengers were enplaned in 1978 and 135,000 passengers were enplaned in 1979. Deregulation has not been of any great benefit to Patrick Henry International Airport. Deregulation's negative impacts will only be compounded if discriminatory airport access legislation is enacted. The Peninsula Airport Commission is vitally concerned with the issue of airport access as 3 of the airport's top 5 destinations are to slot controlled airports. They are New York, Washington National and Chicago. Atlanta and Phildelphia are the other two top destinations and Atlanta may become slot controlled in the future.

We are aware that there are many alternatives being discussed for solving the capacity problems at many of our major airports. We are very concerned about the alternatives which would involve allocation of slots based on a pricing mechanism, whether it be auction, discriminatory landing fees or some other alternative pricing system. Any pricing system will discriminate against short haul and/or low density markets. That is to say, these alternatives will discriminate against small community access to the major hubs of this country. People in smaller communities of this country are dependent upon air access to the major hub airports to make connecting flights. Reliever airports or secondary airports will not solve this problem. It is imperative that Congress be cognizant of the needs of smaller communities for access to these large hub airports. Pricing mechanisms will not provide for sufficient access between small communities and large hubs.

I will not attempt to comment on other proposals being considered, but would offer the following for consideration by this Committee.

One way to increase capacity would be to increase the availability of a commuter designated runway and associated taxiways. Most airport managers would agree that the solution to the access problem is to increase the capacity of the system, particularly at the large hub airports. This can most efficiently and economically be achieved by providing a commuter designated runway and associated facilities to allow commuter carriers to operate outside of the large aircraft airspace. This type of operation is currently being conducted on a limited basis at Washington National Airport with the use of RNAV equipment by Dawson Ransom. To my knowledge, the use of RNAV by Ransom Airlines appears to be working well at Washington National and there is no reason that this system could not be put into place at most, if not all, of the large hub airports currently experiencing capacity problems. The argument of space limitations must be carefully evaluated at each individual large hub airport before concluding that it is not a viable alternative.

It will take a commitment on the part of large hub airports, Congress and FAA to see this solution through. However, I believe it is the most cost efficient and economical system that could be implemented at this time. Implementing this program of providing commuter designated facilities would free up air space for the large carriers. by removing commuter operators from air space used by large carriers, it automatically would increase the capacity of most of the larger hubs. Environmental concerns should be minimal as commuter aircraft are more environmentally palatable to communities because of their significantly lower noise levels.

For Congress to make a commitment to this solution, defederalization of the largest 72 airports in this country is not a viable alternative. We are opposed to the Senate's defederalization alternative because we feel it will restrict access at the large hub airports. We do not believe that the airlines will meet their financial obligations at these large hub airports to allow properly planned and timely expansion of the facilities and capacity at these airports to accommodate the growth in the industry. The segment of the industry to be priced out first will be commuters and small airlines connecting from small airports. Congress must recognize that the airport system is a national system.

You cannot affect one segment of the system without affecting the whole system. We find the House of Representative's Bill HR 6721 to be very responsive to airport needs. There are several minor corrections which we would suggest to the Committee and they are as follows:

1. The enplanement formula and guaranteed minimum should be extended to all commercial service airports enplaning more than 2,500 passengers annually on scheduled service. Small commuter airports need these funds to upgrade their facilities to accommodate the growing commuter industry. We urge the House to reconsider this provision of its Bill.

2. We welcome the proposed increase in the enplanement formula; however, we are wondering if it is really enough to offset rapidly escalating construction costs. We are aware of the current mood of Congress to eliminate budget increases wherever possible; however, it must be remembered that this is a special user tax designated for the purpose of expanding and improving the airport system. This is not a general tax fund tax, and, therefore, the enplanement formula should be reviewed and increased if at all possible.

3. Many small airports have recently expanded or improved their terminal facilities and have outstanding debt service on these terminal facilities. We would urge that the House of Representatives reconsider adding as an eligible project debt retirement for terminial development, public areas, similar to the provisions that are in the present ADAP Bill.

4. We support the provisions in the House Bill HR 6721 to provide for airport noise problems. While we do not have a serious noise problem at our airport, we are aware that environmental concerns at larger airports could negatively impact the capacity and growth of those larger airports and support the House action to provide funds necessary to allow larger noise impacted airports to begin to solve this very serious problem.

We ask that the House consider these suggestions. We do, however, want to emphasize that we fully support HR 6721 as being a far superior Bill to the Senate ADAP Bill. I believe the House of Representatives has been responsive to airport needs and concerns and is to be congratulated in its efforts in drafting this piece of legislation.

With respect to the specific questions on airport access, I offer the following comments. Freedom of access to airports must be maintained if the national airport system is to continue functioning. The key to the access problem, as I mentioned earlier, is to expand the capacity of the system, particularly at the large hub airports. I believe that there are adequate assurances in the previsous ADAP legislation to guarantee continued access for all air carriers recognizing the airports operators' proprietary rights in setting fees and charges to compensate for the cost of operating the facilities. I do not know of any situation where contracts and agreements between airports and air carriers have limited access. Airport operators have attempted to accommodate new entries through a variety of methods, and I am not aware of any instance in which airport/airline contracts have prevented entry or access to an airport. With respect to the restrictions on operations at an airport to meet safety air/ground congestion, the FAA has the responsibility for controlling aircraft while in the air. This is as it should be and we must rely upon FAA to make its own determinations about the safe operating levels in the air. With respect to ground operations, the airport proprietor through the assistance of funding through the continuation of the ADAP Program must continue to expand ground side facilities to accomodate increasing demand at his airport. The solution to the capacity problem is not restrictions and allocations systems, it is to expand the capacity.

I have commented earlier on the allocation systems being considered. While we have not always agreed with the slot committees' solutions, we are, frankly, at a loss to come up with a better system. As I mentioned earlier, any kind of pricing system will discriminate against access from small communities. Any kind of allocation system which is devised must properly consider the needs of smaller communities access to large hubs.

With respect to the noise problem, the airport proprietor must retain its proprietary rights. However, I do believe that the federal government should take a more positive and aggressive role in trying to solve the aircraft noise problem. I believe the House effort to provide funding to airports for noise-related projects is a very good step. Unfortunately, the airlines do not appear to be as committed to solving the noise problem as the House of Representatives or airport operators. If the airlines had taken a more positive approach, the noise problem would not have been as severe as it is today. Some airlines have been more sensitive to this serious problem—Delta and Continental Airlines, for example, in proceeding with their retrofit program. The airlines must take a more positive role in solving the noise problem, or capacity and access questions will continue to plague all of us to the detriment of the airlines, airports and the traveling public.

Just how large airports could possibly respond to this growing environmental problem at airports without ADAP monies, as this would be the case under the Senate Bill, is a mystery to me. The Senate proposal is out of step with the times. Airports and the aviation industry are being subjected to many new pressures and circumstances that to defederalize the largest airports at this time could create a total shambles of the whole system. We do not need further experimentation at this time. The House Bill HR 6721 is a very good Bill which we will heartily support. We hope the House of Representatives in the conference committee on this matter will stand firm in opposing defederalization at this time.

STATEMENT OF LOUISVILLE AND JEFFERSON COUNTY AIR BOARD ON AIRPORT ACCESS, BY MARSHALL P. ARNOLD, DIRECTOR OF AIR SERVICE, LOUISVILLE AND JEFFERSON COUNTY AIR BOARD, LOUISVILLE, KY.

Mr. Chairman and Members of the Subcommittee, I appreciate this opportunity to present the views of the Louisville and Jefferson County Air Board, Louisville, Kentucky on some of the questions relating to the subject of airport access.

By way of introduction, I am Director of Air Service for the Louisville and Jefferson County Air Board and have served in this position for the past seven years. In this capacity, I have responsibility for the development and implementation of air service improvement programs at Louisville. This has included participation in numerous Civil Aeronautics Board regulatory proceedings, oral argument before the full Civil Aeronautics Board, and testimony before the U.S. Senate Subcommittee on Aviation. Prior to my present position, I was with aviation consulting firms involved primarily in airport facilities and economic planning. My formal education is in marketing and transportation management, with Bachelor of Science and Master of Business Administration Degrees from Arizona State University.

AIRPORT ACCESS

The objective of aviation system planning and development is to provide adequate airport facilities to meet the demands of all users. This process begins with a determination of air space utilization/demand on a state-wide basis. Individual airport master planning is undertaken to determine the maximum demand/capacity of airport facilities based upon a reasonable aircraft mix by type and user and assuming the achievement of balance between airfield, terminal platform and ground access capacity. Regional airport system planning is done to insure that the total system will accommodate total demand by type of use over the longer term. Capacity allocation procedures should be only interim solutions for achieving balance between capacity and demand.

While neither Standiford Field nor Bowman Field at Louisville are presently or are likely to be in the next few years a "slotted" airport, Louisville has a substantial interest in the question of airport access, especially as it relates to the commercial air carrier group. Louisville's five largest markets in terms of O&D plus interline connecting passengers, are in order: Chicago, New York City, Atlanta, St. Louis and Washington, D.C. Three of these airports are already slot controlled with the other two high on the list of those airports which are likely to become slot controlled within the next few years. It should be noted that in this respect, Louisville is not unique but representative of most communities east of the Mississippi. Obviously, Louisville has a very real interest in any slot allocation process which may be implemented, just as it has interest in any other "regulatory process" which stands to impact air service at Louisville.

Although there exists differences of opinion as to how soon and at how many airports capacity constraints may become a problem, for the purposes of my testimony, I am assuming that this is a problem that should be addressed now. I will limit my comments to capacity/allocation considerations which arise from physical constraints, and not noise; and further, with respect to the allocation of slots, I will confine my remarks to the commercial airline user group.

In the area of physical capacity constraints, there are two types, airfield/airspace and terminal area. Airfield and airspace capacity is a direct function of the aircraft mix using those limited facilities. The paramount consideration in determining the capacity of those facilities is safety. It is our opinion that the Federal Aviation Administration quite properly has clear authority to establish the maximum limit on utilization of airspace/airfield during a prescribed time frame based upon safety considerations. The second area of physical constraints is the terminal area—be it aircraft parking spaces, aircraft gate area, baggage handling facilities, or customs facilities. It is Louisville's belief that airport operators have the legal authority to establish limits for a given time frame at a level less than that of the maximum limit set by the FAA.

The determination of capacity limits at an airport from airspace to airfield to terminal area are relatively straightforward analyses of the physical capacity of each of those system elements, with FAA appropriately determining airfield/airspace limits and the airport proprietor determining, as required, lower limits based upon terminal area constraints. The very tough question then is how to allocate those limited resources among and within user groups. As stated earlier, I will confine my remarks to allocation of those resources within the commercial airline user group. There are four basic types of allocation procedures which may be employed: (1) pricing; (2) administrative; (3) random; and (4) committee.

Pricing.—A pricing or "slot bidding" allocation system has been the subject of much consideration and debate in recent months. Louisville, as I am sure is true of most other cities of our general size, has very serious concerns about this approach to allocation of slots. It is our belief that with the exception of the essential service points, which will be guaranteed some types of priority access to limited slots, all but the longest haul, high density markets would effectively be denied access to a capacity-constrained airport during hours which are slot allocated. Purely economic considerations would dictate that the airlines utilize those slots for their hub-to-hub operations wherein they can move the most people on the largest airplane. In Louisville's particular case, if the airports in each of our five largest markets become capacity constrained, then Louisville is literally encircled by slotted hub airports. To carry it to the rather extreme, the question becomes how do passengers from Louisville get into the system. One of two things has to happen: (1) We may maintain frequency of service to the hubs at non-prime times causing serious inconvenience for the local passenger as well as the connecting passenger who must wait until the next peak period to get his flight on to the next hub; or (2) Frequency to that first hub will necessarily have to be diminished in order that the carrier may operate a large enough aircraft with enough people on it to rationalize the price he is paying for the prime time slot.

Administrative.—Any type of administrative allocation procedure of necessity will be to some degree arbitrary. Whatever administrative procedure might be adopted must be consistent over time and therefore lacks the flexibility to adapt to the rather rapid changes occurring in our air transportation system. It is my understanding that in the recent FAA simulation of an administrative allocation procedure which simultaneously encompassed three slotted airports, unresolvable differences resulted. These differences were resolved only with the convening of a scheduling committee of the airline team participants.

Random.—Any type of random or lottery allocation procedure is simply not workable. The total lack of predictable continuity of any particular service is not acceptable to the air carrier who could not plan its schedules beyond the current allocation period, nor would it be acceptable to the traveling public which would not know from one period to the next how a journey from A to B is to be made. Further, as in the administrative allocation procedure, when there are several slotted airports, there is the very probable outcome that a carrier's slots at one airport will not "fit" with its slots at a second airport.

Committee.—While existing airline scheduling committees may not be perfect, they *have worked* and *are more workable* than any of the other possible allocation methods. The major shortcoming of a scheduling committee is that in the event the commitee reaches a total impasse, there is no final arbiter.

It is Louisville's position that the best allocator of airline slots is an airline scheduling committee which includes the local airport proprietor whose sole function would be to act as arbiter at those times when the committee reaches an impasse—a situation which to date has never arisen with any of the existing airline scheduling committees. It would be incumbent upon the airport operator to develop and disseminate among the airlines the decisional criteria to be used in resolving impasses. This criteria should be objective and non-discriminatory and should be of such a nature that it does not impose any undue burden upon interstate commerce. Further, the criteria should be available to all scheduling committee participants prior to their deliberations, thereby virgually insuring that there will not be an impasse. This approach provides the local community through its airport operator with a very occasional opportunity to inject consideration of community needs into the airline scheduling process.

I recognize that our recommended approach to allocating airline slots may raise the specter of mini-CAB's cropping up allover the country. First, let me say that I suspect the problem of airport access may be over stated. Secondly, in the approach we recommend, the number of times that the airport proprietor would become a factor in the allocation process would be, indeed, very few. As stated earlier, in the history of the existing airline scheduling committees, an impasse has never been reached. However, there will be some number of capacity-constrained airports and those limited resources will have to be allocated through some mechanism—be it pricing, administrative, random or committee. Whatever the process, they will be implemented through the use of "guidelines," "rules," "allocation methodology," or decisional criteria"—all of which have the practical effect of a degree of regulation. With pricing, the regulator is the dollar. Under the administrative process, the regulator will be some governmental entity exercising unilaterial authority—authority that Louisville certainly does not want. With a random allocation procedure, the regulator is none other than Lady Luck. Under the scheduling committee process as proposed, the regulator is that collective group of air carriers who are going to provide the service at a community and will only be impacted by a governmental entity when those rare instances of impasse occur. The scheduling committee process provides for the greatest degree of self-regulation by the carriers with the least degree of governmental interference. In this regard, I am advised that there commended slot allocation system would necessitate anti-trust immunity being extended to the airport operator in that specific instance where he is acting as arbiter of a scheduling committee impasse.

The allocation procedure we recommend is totally consistent with the treatment given airport access in our new use agreements with air carriers serving Standiford Field. Under that agreement, the existing carrier tenants may sub-lease facilities to accommodate a new carrier entrant. However, if the new carrier is unable to acquire adequate facilities, the Air Board has the right to compel sharing of facilities or, upon sixty days' notice, reclaim the necessary portion of existing tenant facilities to accommodate the new carrier.

While Louisville was an early advocate of regulatory reform, we were and remain adamantly opposed to the total deregulation which has occurred in the airline industry. We do not believe it is in the best interest of the traveling public; however, we've got it and when resulting problems develop such as the increasing concentration of service at hub airports, we strongly urge solutions that give weight to public interest considerations whenever possible.

Again, Mr. Chairman, thank you for this opportunity to express Louisville's deep concern for the possible solutions to the important question of airport access.

Mr. **Fary**. Please proceed.

TESTIMONY OF A PANEL INCLUDING TIMOTHY L. CAMPBELL, EXECUTIVE DIRECTOR, PENINSULA AIRPORT COMMISSION, PATRICK HENRY INTERNATIONAL AIRPORT, NEWPORT NEWS, VA., AND MARSHALL P. ARNOLD, DIRECTOR OF AIR SERVICE, LOUISVILLE AND JEFFERSON COUNTY AIR BOARD, LOUISVILLE, KY.

Mr. **Campbell.** Thank you very much for this opportunity to provide some perspective from the small airport point of view on this problem of airport access.

We have been hearing all day today the perspective and problems from the Government's viewpoint and from the large airports' viewpoint, but it is a national aviation system, and there are those of us on the other end of the system who are dependent upon access to these large airports for providing service to the passengers from our communities.

The Peninsula Airport Commission is the owner and operator of Patrick Henry International Airport, which is a small hub airport, serving the Virginia communities of Hampton, Newport News, Williamsburg, James City County, and York County.

Deregulation has not been of any great benefit to the airport. Our passenger volumes have decreased over the past several years. Seating capacity has also decreased over the past several years.

We are very concerned about this issue of airport access because three of our top five markets are two slot-controlled airports at this time. A fourth market, which would be Atlanta, although not slot-controlled, certainly is congested, and there is always the potential that it could become a slot-controlled airport.

We are aware that there are many alternatives being considered for solving the capacity problems at the slot-controlled airport. We have heard mention of lotteries and auction system, and various pricing mechanisms.

I would like to make this committee aware that our view on pricing systems, whether they be auctions or discriminatory landing fees, is that it would penalize and discriminate against access from smaller communities or lower density markets and short-haul markets, which is primarily the case for us.

Reliever airports or secondary airports, an alternative which was mentioned today, will not work in our case, because the majority of our people are interested in transferring and connecting to other flights, and unless there is a connecting bank at the reliever airport, it is not going to satisfy the needs for access from smaller communities.

I hope that the members of this committee and Congress will be cognizant of the needs of smaller communities for access to these large hub airports in any kind of legislation that you might be considering.

Pricing mechanisms will not provide for sufficient access between small communities and large hubs.

I would like to comment on something that Chairman Cohen mentioned this morning when this issue was raised. His standard response and the one he gave this morning was that the small community access would be preserved and protected through reliance upon the essential air service provisions in the Civil Aeronautics Board. Well, as the members are aware, all the essential air service determination guarantees a community is 80 seats a day. In the majority of communities that I am familiar with, 80 seats a day does not begin to touch the market potential and in no way would assure proper access between a smaller community and a larger hub airport.

We have one alternative that I would like to mention here today for a potential solution, and it is one you have heard before, and that is to increase the capacity at large hub airports. The way to do this that we think would be the most efficient and economical way would be to provide commuter-designated runways and related taxiways at these larger airports.

I think most airport managers would agree that increasing the capacity is the best solution to the access problem. We feel that by singling out a commuter-designated facility and providing separate air space in which the commuters can operate, you will very rapidly increase the capacity at the large hub airports, you solve the access problem for commuter operators from primarily serving smaller communities, and you free up a lot of air space for the larger certificated scheduled carriers.

For example, Ransom Airlines, at Washington National Airport, using ARNAV, area navigation, has been effectively, as far as I can tell—I have not heard anything to the contrary—using this system to free up air space at Washington National Airport. Obviously, they have not increased the slots yet, but this is the kind of solution that I think should be more fully explored by the FAA as opposed to their spending a great deal of time and effort on studying various allocation systems. I think they should send a little more time studying how to increase the capacity at these large hub airports.

This solution will take a commitment on the part of large hub airports, Congress, and the FAA to see it through. However, we do feel that this alternative should be more fully studied before allocation systems are put into effect.

For Congress to make a commitment to this solution, defederalization of the largest 72 airports is not a viable alternative. We are opposed to the Senate's version of ADAP, and we are opposed to defederalization of the larger airports, because we do not feel that the larger certificated carriers serving these airports will meet their financial obligations to allow the system to expand to meet demand. And once the capacity is reached at a facility, those segments which are priced out of that airport first will be commuter operators and service from smaller communities. You cannot affect one segment of the system without affecting the whole system.

And let me just say at this point that we support the House bill 6721, the ADAP bill. We think it is a good bill. We have some suggested changes which I will not go into at this time; they are in my written testimony. Just let me say that you can count on our support for H.R. 6721.

With respect to some of the specific questions on airport access, let me just reiterate much of what has already been said. We think that freedom of access to airports must be maintained. We think that the present language in the present ADAP bill is sufficient to guarantee that continued access—at least, it has to this point;

there is no evidence to suggest that problems will be encountered in the future which cannot be solved through mutual meetings and agreements.

I think it is necessary to recognize the airport proprietors' proprietary rights in setting fees and charges to compensate for use of the facilities and to regulate such things as noise levels at that particular airport.

I am not aware of any situation in which an agreement between an airline and an airport operator has prevented access. The Orange County situation has been mentioned. I do not think the contract itself is at fault there. It may be a policy problem of the Orange County airport proprietor, but not the contract itself. I would hate to see the Federal Government take too aggressive an approach on getting involved in airport contracts and leases at this point in time. If the problem does become more serious at some point down the road, then I think it probably is justified.

I will not reiterate what I have already said on allocation systems.

Just to summarize, we do not see how large airports could possibly respond to the growing environmental problems at the airports without ADAP moneys, as this would be the case under the Senate bill.

Airports and the aviation industry are being subjected to many new pressures and circumstances that to defederalize the largest airports at this time could create a total shambles of the whole system.

We do not need further experimentation at this time.

House bill 6721 is a good bill which we will heartily support. We hope that the House of Representatives in the Conference Committee on this matter will stand firm in opposing defederalization at this time.

Thank you. I would be happy to answer any questions you might have.

Mr. Fary. Mr. Arnold?

Mr. Arnold. Mr. Chairman, I would like to thank you for this opportunity to express Louisville's views on the question of airport access.

Let me start out by saying that Standiford Field in Louisville, Ky. presently is not a slot-allocated airport, nor do we expect that it will be in the foreseeable future. However, we do have a very real interest in the question of access to airports, particularly the slot allocation question. As in the case of Newport News, 3 of our largest 5 markets are currently slot-allocated airports, Chicago, New York, and Washington, D.C. The other two are Atlanta and St. Louis. Both airports are very near saturation at this time.

I would like to make the point that this is a situation that is very common to most medium and small-sized airports, particularly in the eastern half of the United States, and Mr. Campbell made that point with respect to Newport News.

We have talked about the various types of capacity constraints that do exist at airports. There are basically two types, the airfield air space and the terminal area. We feel that the FAA correctly has the responsibility for establishing operational limits based upon safety, as far as airfield and air space is concerned. We do believe that the airport operator has the right to establish limits lower than that established by FAA with respect to terminal area congestion.

The tough question that really comes up when you are addressing the problem of airport access is the question of how you actually allocate slots, and this is where our concern becomes the greatest. There is basically four types of methods: the pricing or slot bidding method, and this has been talked about a lot today; some type of administrative approach, which the FAA is looking at; a random or lottery approach, or a scheduling committee approach.

We are very concerned—first, let me talk about pricing—we are very much concerned about the effects of a pricing or bidding approach. It is our belief that with the exception of the essential service points which will be guaranteed, some type of priority access to limited slots, all but the longest haul, high density markets would effectively be denied access to capacity-constrained airports during slotted hours.

Purely economic considerations would dictate that the airlines utilize those slots for their hub-to-hub operations wherein they can move the most people on the largest airplane.

As I mentioned, 3 of our 5 largest markets already are slotted, and two more are likely to be in the near future. And in Louisville's case, we would then be literally encircled by slotted airports. To carry this to an extreme, the question would eventually become how the passengers from Louisville even get into the system. One of two things will have to happen. We may maintain frequency of service to those hubs, but it is going to be at nonprime time hours. This is going to cause substantial inconvenience for local passengers, who in all likelihood are not going to be able to make commuter trips to those markets. It will cause substantial problems for the connecting passenger, who will arrive at nonprime times and have to wait for the connecting banks to get his trip on to the next hub.

The administrative procedure, whatever for it would take, it has to be almost by definition arbitrary, and a system like this would have to remain consistent over time and therefore lacks the flexibility to adapt to the rather rapid changes that are occurring in our transportation system.

There are some problems with this, and it is my understanding that in the recent FAA simulation of an administrative allocation procedure—and this simulation encompassed three slotted airports at the same time—that unresolvable differences resulted. These differences were resolved only with the convening of a scheduling committee of the airline team participants.

With any type of random or lottery system, it is our feeling that it is simply unworkable. The total lack of predictable continuity of any particular service will not be acceptable to the carrier, who cannot plan his schedules beyond the current allocation period, nor will it be acceptable to the traveling public, who will not know from one period to the next how to make a journey from A to B. Also, as in the administrative allocation procedure, if there are several slotted airports, you are very probably going to run into the situation where the slots at one airport simply will not fit with the slots at the second or third airport.

That leaves the scheduling committee approach, and while we would be the first to agree that they are not perfect, they have worked, and are the most workable in reality.

We see the major shortcoming of the scheduling committee is that in the event the committee reaches a total impasse, there is no final arbiter.

It is Louisville's position that the best allocater of airline slots is an airline scheduling committee, which includes the local airport operator, whose sole function would be to act as arbiter at those times when the committee reaches an impasse—a situation which to date has never arisen with any of the existing airline committees.

It would be incumbent upon the airport operator to develop and disseminate among the airlines the decisional criteria to be used in resolving impasses. Obviously, this criteria should be objective, nondiscriminatory, and of such a nature as to not impose undue burden upon interstate commerce. Finally, that criteria should be available to all of the carrier participants prior to their deliberations, thereby virtually insuring that there will not be an impasse.

In those rare instances where an impasse does occur, this approach does provide the local community through its airport operator with a very occasional opportunity to inject consideration of community needs into the airline scheduling process.

I recognize that our recommended approach to allocating airline slots may raise the specter of many CAB's cropping up all over the country, something that was mentioned this morning.

First, I suspect that the problem of airport access may in fact be overstated, and second and more importantly, in the approach we recommend, the number of times that the airport operator would become a factor in the allocation process would actually be quite few, if ever.

However, there will be some number of capacity-constrained airports, and those limited resources will have to be allocated through some mechanism, whether it is pricing, administrative, random or committee, and whatever process is adopted, they are going to have to operate under some predetermined set of rules, all of which have the practical effect of some degree of regulation. With pricing, the regulator is the dollar; under the administrative process, the regulator will be some government entity, exercising unilateral authority—authority that Louisville certainly does not want. With a random procedure, the regulator is lady luck. Under the scheduling committee as proposed, the regulator is that collective qroup of air carriers who are going to provide service at a community and will only be impacted by a governmental entity when those rare instances of impasse occur. This process provides for the greatest degree of self-regulation by the carriers with the least degree of governmental interference.

I might add that the allocation procedure that we recommend is totally consistent with the treatment given airport access in our new use agreements with carriers serving Standiford Field. Under that agreement, the existing carrier tenants may sublease facilities to accommodate a new carrier. However, if the new carrier is unable to acquire adequate facilities, our air board has the right to compel sharing of facilities or, upon 60 days' notice, reclaim the necessary facilities to enable the new carrier to operate, the only restriction on that being that we obviously cannot reclaim facilities to an extent that we would put an incumbent out of business.

I would like to conclude my remarks by noting that Louisville was one of the very earliest groups to advocate regulatory reform. But we were, have been, and remain, totally opposed to total deregulation which has occurred in this industry. We do not believe that it is in the best interest of the traveling public.

However, we have got it, and have to live with it for the time, and when resulting problems develop such as the increasing concentration of service at hub airports, we strongly urge solutions that give way to the public interest considerations whenever possible.

That concludes my statement, and I would be happy to answer any questions.

Mr. **Fary**. Thank you, Mr. Arnold.

I think Mr. Campbell took the wind out of my sails when he said his passengers wanted to deplane at transfer points. There is an airport at Chicago that I have been trying to revitalize for a long time, where we are starting out fairly well—Midway, at Chicago. That has no capacity problem, and I would be pleased if flights from your cities come there if you have problems getting into O'Hare. There are some choice slots available.

The testimony of both members of the panel suggest that you believe that allocation of slots based on a pricing mechanism would discriminate against service for short-haul or low-density markets. Could you elaborate on why this should be so, either of you gentlemen?

Mr. **Campbell**. Well, most of the comments on the auction and pricing system were developed in response to the Polinomics study, which was referred to this morning. The Commuter Airline Association, for example, has commissioned a counterstudy, and their conclusion was that any kind of slot allocation system which depended upon pricing or a bidding type of system would discriminate in a price sense against shorter haul markets because the fare that would have to be charged to compensate for the cost of that slot would be harder to spread out over that short a distance, basically, and of course, in lower density markets, you just cannot justify the expense; there just are not enough passengers to again spread it out. The fares get too high, and you exceed the point where the passengers will find some other means of travel.

Marshall, did you want to add anything?

Mr. **Arnold**. I do not have anything to add as far as why that would happen. I would like to point out, though, that, as Mr. Campbell indicated, you heard from the large airports earlier, and he is speaking for the small airports, and I am speaking for those people in between, or at least for one airport in between.

We are very concerned about the effect of an auction type slot allocation, because we literally are caught in the middle. We believe that those carriers that pay the price for the slots are going to use them for the longer haul, high-density markets. But then, on the other hand, you have also got another group of slots that are going to be specifically reserved for essential service points. Now, somewhere in the middle is a very small number of slots that are left for the midsize cities.

This has been our problem dating back to the advent of deregulation. The large cities are enjoying substantial increases in services, and at the same time, the very smallest cities are at least getting some type of essential service guarantee. The midsize cities of this country, with the exception of primarily the Southwest and the Florida markets, are all experiencing substantial declines in service.

It is a very serious problem for us, and Chairman Cohen this morning suggested that deregulation is working very well, and a couple of instances he cited were the development of Midway, and second, he indicated that Oakland was doing very well. The statement he made about Oakland concerned me considerably, because I had occasion yesterday to bump into the executive director of the Port of Oakland out in the corridor, and he asked me how service was going at Louisville, and I told him how much our service was down, and I said, "How is Oakland going?" He said: "Our departures are down 18 percent."

Now, if this is the CAB's perspective of things going well, then there is something seriously wrong.

Mr. FARY. Mr. Campbell, you suggest that many access problems could be solved by increasing the availability of commuter-designated runways and associated taxiways. What priority do you think large hub airport operators would put on this as compared to other types of airport development?

Mr. CAMPBELL. I think it should be the very highest priority for several reasons. It can obviously increase the capacity for not only the commuter operators, but for the larger scheduled carriers, by freeing up air space as well as runway and taxiway facilities.

I think it can also improve the safety of the operation by providing a separation between the larger carriers and the commuter carriers if an ARNAV-type system, such as being used by Ransome at Washington National can be put into effect at these larger airports. So I think it should receive a very high priority, and I think that the ADAP funding should be made available out of the trust fund surplus to see that, particularly in the largest airports, that these kinds of needs are met.

Mr. FARY. Mr. Campbell, relating to that last question, if large hubs were defederalized, do you believe the certificated air carriers would be interested in underwriting the source of airport development projects that are now funded under ADAP?

Mr. CAMPBELL. I do not believe they would. Right now, commuter operators enjoy somewhat of a favored son status at many large airports, not all, and I think if commuters had to pay their full share at many of these large airports, they just would not be able to do it. Many of them are marginal operations, and the capital funding that they do have is put back into equipment to allow them to expand to meet their growing role in the industry, and I do not believe the large certificated carriers will put up the money to allow this to happen.

Mr. FARY. Mr. Arnold, it seems to me that we have two phenomena now developing that will soon come into conflict with each other. First, the large hub-to-large hub markets are becoming increasingly important to the certificated carriers, generating increased congestion. We also have a booming commuter industry providing service at large hubs on short, low-density routes, which also generates congestion at the large hubs.

Mr. Arnold, you endorse the airline scheduling committee concept. Do you think the commuters and other short-haul carriers are going to fare very well in negotiations with the large certificated carriers as the situation becomes tighter and tighter?

Mr. ARNOLD. I cannot tell you how well they are going to fare. The thrust of my comments and my position is that they are going to fare better in that environment than they are in a pricing environment.

Counsel, questions?

Mr. FILLER. Thank you, Mr. Fary.

Mr. Arnold, you mentioned the provision in the new contracts executed by Standiford, which allows you to go and if necessary take some space away from the incumbent carriers. Do all of your contracts currently provide for this, or is this something only in the most recent ones?

Mr. ARNOLD. The situation that Louisville is in right now, I guess is very fortunate. We have no long-term agreements, and in fact, we do not have a current use agreement; it expired several months ago, and we are operating on a month-to-month basis right now.

And I might add that the agreement I described has not yet been executed. It has been sent to the carriers; we have not received them back. But that is a provision of the agreement with which we have no intention of backing off.

Mr. FILLER. How many carriers have you sent that agreement to?

Mr. ARNOLD. Seven, and none have responded yet. They just recently went out.

Mr. FILLER. Are all seven of these agreements expiring at the same time, and are you now renewing all seven of them? Is that how it is working?

Mr. ARNOLD. Yes; that is correct.

Mr. FILLER. I suppose this question could be directed at either of you gentlemen. We have heard varying things about whether or not the ADAP Federal share should be—and we are talking smaller airports now—should be 90 percent or up to 90 percent, and there are fairly persuasive points, I think, on both sides of the question. Where do you come down on this?

Mr. CAMPBELL. Marshall, I do not think you have this problem, do you? You are limited to 75–25.

Mr. ARNOLD. Yes; that is correct.

Mr. CAMPBELL. Well, we feel very strongly that it should be a flat 90–10, and not the "up to" language which you have referred to.

You have to understand the financing of the small hub airport, and it is really day to day, almost, and to come up with a local share can be a bit of a problem for much of these important safety improvements that ADAP funds. It is so important to have that mandatory 90–10 that I just cannot emphasize it enough. If you do not have it, a lot of projects will go unfunded, and just will not be even initiated.

Mr. FILLER. What about the argument that if you have a mandatory 90–10, you may have some operators who have to cancel some of their projects because, while they are willing to finance a larger portion, that option is not available to them?

Mr. **Campbell**. Well, if you want to make it an option of the airport operator, then I think we would be able to go along with that, but not an option of the Federal Government.

Mr. **Filler**. If it were made an option of the airport operator, do you see any potential for abuse there, where the FAA, perhaps, might exert some pressure to either accept a lesser share or do not get the project funded at all?

Mr. **Campbell**. Yes; I think that is a very good point. The FAA has been known to do that, particularly at smaller airports where they feel they can have a little more influence, I guess. I think that is a very good point. It could happen.

Mr. **Filler**. Mr. Arnold, would your assignments be the same as Mr. Campbell's, as far as the 75-25 share is concerned?

Mr. **Arnold**. Let me back off a little bit. I would prefer—I can get an answer to that question for you, but I am not at all involved in our ADAP activities, and I would really hate to be presumptuous enough to answer that question.

Mr. **Filler**. OK. Thank you very much, gentlemen.

Thank you, Mr. Fary.

Mr. **Fary**. I have no other questions, gentlemen, so thank you very much for your testimony. Sorry to have detained you.

Our next witness is Paul Ignatius, president of the Air Transport Association.

Mr. Ignatius, the full text of your prepared statement will appear in the record at this point

[Statement referred to follows:]

Statement of Paul R. Ignatius
President and Chief Executive Officer
Air Transport Association of America

On behalf of the scheduled airlines, I am pleased to testify on H.R. 6721, the legislative proposal before this Committee for reauthorizing the Airport and Airway Development Act of 1970, and to discuss the challenging questions posed by the Committee on the subject of access to airports. I am accompanied by two senior officials of the Air Transport Association - Norman J. Philion, Executive Vice President, and Clifton F. von Kann, Senior Vice President, Operations and Airports.

The Airport and Airway Act affects all phases of airline operations and involves many important aviation issues. First, it provides a source of funds for airport and airway facilities to insure that the airlines can fulfill their statutory responsibility to provide transportation services with the highest possible degree of safety in the public interest. Secondly, it addresses the need for sufficient airport and airway capacity to ensure an efficient flow of traffic from airport to airport. With the alarming increase in the cost of fuel, this need is more important today than ever before. The General Accounting Office has estimated, for example, that delays in 1977 cost the airlines $800 million, and caused the wastage of several hundred million gallons of jet fuel. Today, that cost exceeds $1 billion per year.

For these and other reasons, it is essential that the legislation be reauthorized so that progress can be continued in the unending effort to make air transportation even safer and more efficient.

Also important are the questions of access to airports by airlines which have traditionally served them as well as those that now wish to serve under the liberal entry provisions of the airline deregulation act. Of particular significance in this regard are the respective roles of the federal government and the local airport authorities. We will comment on these matters at a later point in my testimony when we respond to the specific airport access questions you have raised.

A PROGRAM FOR THE EIGHTIES

When you introduced the Committee bill on March 6, 1980, Mr. Chairman, you wisely called attention to the major issues which the reauthorizing legislation should address.

First and foremost among these issues is that "substantial development will be required to insure that our airport system is safe and able to accommodate the increased traffic which is expected." Airport funding levels must clearly be adequate not only to meet increased demand but also to account for inflationary cost pressures. We are pleased that the Committee bill proposes additional amounts for these coming needs.

Traffic growth will also require an expansion and improvement of airway facilities if safe operations are to continue. More landing aids will be needed, existing facilities must be upgraded, and new computers must be procured to replace early generation equipment. All of this will require a higher level of Facilities and Equipment (F&E) monies, which the Committee bill provides.

With the growth of private aviation and the increasing contribution that commuter airlines are making to the national air transportation system, more attention must be paid to assuring the adequacy of reliever airports to handle the burgeoning growth of private aviation, and of the smaller airports that are principally used by the commuter airlines. These needs have not been sufficiently recognized in the past, but the reauthorization of the airport and airway legislation offers an opportunity to take the necessary corrective measures.

This Committee has paid particular attention to the problem of aircraft noise. The bill you have introduced includes specific proposals, with associated funds, to assure further progress. Of particular importance is the need to assure compatible land use wherever possible, upon the basis of comprehensive planning studies that would be funded from Trust Fund monies.

The safety, capacity, efficiency, and environmental needs addressed by the legislation will require a responsive and effective system management effort by the Federal Aviation Administration (FAA). The Committee bill contains certain provisions that are intended to make FAA's management more effective, particularly with respect to identifying needs and taking prompt action to assure their fulfillment. We commend the Committee for highlighting this important matter.

Finally, action is needed to assure a balance between Trust Fund receipts and disbursements. For an embarrassingly long period of time, the Trust Fund has shown a large surplus, now almost $3.5 billion. Necessary programs to meet identified needs must be adequately funded. But once this is done, relief must be provided to airline passengers and shippers who contribute more than 90% of the Trust Fund receipts.

Existing taxes on domestic and international passengers and shippers can and should be reduced. We very much hope that the Committee will recommend appropriate tax reductions before it completes its legislative effort. We are encouraged in this regard, Mr. Chairman, by your introductory statement of March 6th in which you said: "It would also be possible to carry out the recommended program by reducing user taxes and by reducing the $3.5 billion surplus in the Trust Fund at the start of Fiscal 1981."

With the above general comments in mind, I would like to turn now to specific aspects of the Committee bill. We applaud your recognition of the need for a greater effort to insure that requirements for safety and capacity will be met, and hope that our more detailed comments will be helpful to the Committee in its continuing deliberations.

H.R. 6721 -- THE COMMITTEE BILL

1. Facilities and Equipment (F&E)

Since the passage of the original act in 1970, some $2.3 billion in F&E money has been committed for the acquisition and installation of navigational aids, landing aids and control towers, all of which contribute to the safety and efficiency of the airway and airport system. Although the improvements in the system have been very significant, the airlines and other users have felt that the amount of funds provided for F&E has always been less than what we believe necessary. At the current time, the F&E level is $250 million.

We are very pleased that the Committee has recognized the need for higher levels of investment in order to provide sufficient capability in the F&E categories to meet the anticipated demands of the 1980's. We do, however, have serious reservations concerning the FAA's capability to acquire and install hardware at more than double the current rate. Perhaps these doubts could be alleviated if this bill contained provisions which would require that the FAA improve its long term planning and project management in order to assure that safety and capacity requirements are met.

Specifically, there do not appear to be any specific F&E goals or targets for required airport and airway capacity which will enable traffic in the 1980's to be carried at the highest attainable levels of safety and efficiency. We recommend that the bill contain provisions requiring FAA to re-institute its 10-year plan which served in the past as a useful planning and management tool designed to keep all parties of interest informed. Reinstitution of the 10-year plan would help to overcome a growing FAA tendency to speak about "scarce resources" instead of deliberately initiating the measures needed to assure sufficient capacity.

Accordingly, we recommend that the Committee consider language that would subject the F&E authorization to a requirement that the FAA submit to Congress within 120 days after enactment of the legislation a detailed 10-year plan indicating:

- Safety facility acquisitions
- Required capacity at major hub airports
- Required airway capacity, with phased deadlines for further airway automation

- Research, Engineering, and Development (R, E&D) funds required to meet the projected schedules
- System management plans, including project management of major program segments

The 10-year plan should be updated and resubmitted annually. If this is done, the Congress could continue to monitor progress, to insure that authorized funds are spent for needed projects to overcome anticipated resource limitations.

If these management improvements are made, there is good reason to believe that FAA could obligate the funds authorized in the Committee bill in a timely and effective manner, and we accordingly support the proposed F&E levels.

2. Research, Engineering and Development (R, E&D)

Since the original bill was passed in 1970, some $710 million has been authorized for research and development expenditures to insure necessary modernization and expansion of airway facilities. Currently, this category is funded at a level of $85 million. The Committee bill proposes the same $85 million amount for FY-1981, but contemplates that the amounts for subsequent years would be established by the Congress on the basis of annual reviews.

Our recommendation for an annual submission by FAA of an updated 10-year capacity plan is consistent with the intent to authorize R, E&D funds on an annual basis. This would permit the Congress to adjust the amounts in accordance with the F&E program, for research and development expenditures are directly linked to contemplated facilities acquisitions. Since both we and the Committee believe that F&E funding should be increased significantly, the associated R, E&D funds should be increased. We propose a level of $110 million for FY-1981. This amount would be adjusted annually upon the basis of Congressional reviews and to account for inflation.

3. Airport Development Aid Program (ADAP)

Since passage of the original act, about $4.2 billion has been authorized for airport facilities. Currently, the annual amount is $640 million. The Committee bill proposes an FY-1981 level of $875 million, growing by 7% each year for a five-year total of $5.03 billion. We are pleased to see a larger figure because we believe that anticipated growth will require funds in excess of the current level. The starting point for FY-1981 may be somewhat high, and we suggest that the Committee consider $820 million instead of $875 million, increasing each year by 7%, as the Committee bill proposes, to take account of inflationary pressures. The five-year total would be $4.7 billion. The amount authorized would, of course, be reduced if Congress ultimately decided to defederalize certain airports.

Two other points arise in connection with ADAP. First, the largest single facility need in this decade will be adequate terminals. We support the provisions in the Committee bill mandating that safety and security requirements be met before any obligations are made for terminals. However, we think that the proposed limitation on enplanement funds should be relaxed in order to ease passenger-handling problems at airports throughout the country. Secondly, we suggest that the bill's definitions of airports are unnecessarily complex. Seven categories are defined, where three would be adequate: commercial service airports (those served by air carriers and/or commuters); reliever airports; and all other airports.

4. Noise Abatement Planning and Programs

The Committee bill authorizes $150 million in FY-1981 with annual increases of $15 million for grants to prepare plans to carry out local noise compatibility programs, totalling $900 million over the five-year authorization period. We have earlier testified before this Committee in support of this program category, but believe the amounts contained in H.R. 6721 are larger than can be efficiently spent. We propose instead that this program start at $100 million, adding $15 million each year as the Committee bill proposes, to total $650 million over the five-year period.

We have several reasons for suggesting a lower figure. First, the contemplated noise compatibility plans and programs must utilize a single noise measuring system established through the regulatory process by the Secretary of Transportation. This, together with preparing the plans, will take an appreciable amount of time. Moreover, necessary models for calculating noise impact have not yet been perfected, and the new patterns of demand resulting from airline deregulation have not yet fully crystallized.

5. Operations and Maintenance (O&M)

Currently, the Trust Fund contributes $325 million toward FAA Operations and Maintenance costs. The Committee bill raises this amount to $400 million in FY-1981, increasing by 7% each year through FY-1985, for a five-year total of $2.3 billion.

Airline passengers and shippers contribute more than 90% of Trust Fund revenues. The Department of Transportation in its most recent cost allocation study has found that air carrier passengers and shippers substantially reimburse the federal government for the cost of the airport and airway services provided. Accordingly, we oppose the Administration proposal, contained in H.R. 3745 -- the Administration bill -- to divert $6 billion from Trust Fund monies over the five-year period to the Operations and Maintenance account. We applaud the Committee for including a substantially lesser amount in its bill. Indeed, the airlines recommend a somewhat lower figure of $350 million for FY-1981, growing by $25 million each year for a five-year total of $2.0 billion.

6. Other Issues

A. Trust Fund Surplus. Currently, the Trust Fund surplus amounts to about $3.5 billion, and it is expected to grow to about $10 billion if present program levels and the present tax structure are maintained. Clearly, a change is needed to bring Trust Fund receipts and disbursements into better balance. As we have repeatedly testified, we believe the most equitable and effective way to do this would be to reduce the taxes for airline passengers and shippers.

Exhibit I, which follows, shows the Trust Fund status at the expenditure levels of H.R. 6721. Trust Fund income is shown at current tax levels since, regrettably, the Committee bill does not propose a reduction in current passenger and shipper taxes. With current taxes and the expenditure levels of the Committee bill, there would be a resulting surplus of almost $6 billion at the end of the authorization period, as shown in the exhibit.

EXHIBIT I

PROJECTED TRUST FUND STATUS
H.R. 6721 - Current Tax Levels
(Millions of Dollars)

	FY-81	FY-82	FY-83	FY-84	FY-85
Trust Fund Income[1]	1838.4	2003.7	2212.6	2445.9	2738.4
Prior Year Balance[2]	3517.6	3776.1	4129.3	4594.9	5194.3
Total:	5356.0	5779.8	6341.9	7040.8	7932.7
Less Appropriations[3]	(2056.0)	(2182.0)	(2338.0)	(2504.0)	(2680.0)
Balance:	3300.0	3597.8	4003.9	4536.8	5252.7
Plus Interest[4]	476.1	531.5	591.0	657.5	735.4
Surplus:	3776.1	4129.3	4594.9	5194.3	5988.1

Notes:

1. Based on FAA computer projection of December 14, 1979.
2. Based on the Federal Budget document for FY-1981.
3. H.R. 6721 levels.
4. Computed at 8.5% (current average rate paid by Treasury) on unexpended balances.

In previous sections of this testimony, we have recommended different amounts for several of the program elements. We have reflected these modifications in the Committee bill funding levels shown below in Exhibit II. It should be noted that we have made a 7% annual inflation adjustment in R, E&D levels to produce annual and five-year totals, recognizing nevertheless that the Committee intends to authorize R, E&D amounts annually. We followed the same approach in developing the data for Exhibit I.

EXHIBIT II

MODIFIED COMMITTEE FUNDING LEVELS[1/]

(Millions of Dollars)

	FY-81	FY-82	FY-83	FY-84	FY-85	Total
ADAP	820	877	938	1004	1074	4713
F&E	525	562	601	643	688	3019
R, E&D	110	118	126	135	144	633
M&O	350	375	400	425	450	2000
Noise	100	115	130	145	160	650
Totals:	1905	2047	2195	2352	2516	11,015

Note:

1. 7% annual increases projected for ADAP, F&E and R, E&D and fixed increases for M&O and Noise to reflect cost inflation.

The domestic ticket tax could be reduced from 8% to 4% if the modified funding levels shown in Exhibit II were adopted by the Committee; in addition, it would be possible to reduce the international departure charge from $3 to $2 and the waybill tax from 5% to 3%, as recommended by the airlines in previous testimony before this Committee. Exhibit III shows the status of the Trust Fund with the proposed modifications in the funding levels and at the indicated tax levels. Obviously, further tax cuts would be possible if certain airports were defederalized.

EXHIBIT III

PROJECTED TRUST FUND STATUS
H.R. 6721 - Modified Funding Levels
4% Ticket Tax, 3% Waybill Tax, $2 International Tax
(Millions of Dollars)

	FY-81	FY-82	FY-83	FY-84	FY-85
Trust Fund Income 1/	999.2	1087.2	1197.5	1321.9	1475.7
Prior Year Balance 2/	3517.6	3021.7	2452.0	1815.3	1108.7
Total:	4516.8	4108.9	3649.5	3137.2	2584.4
Less Appropriations 3/	(1905.0)	(2047.0)	(2195.0)	(2352.0)	(2516.0)
Balance:	2611.8	2061.9	1454.5	785.2	68.4
Plus Interest 4/	409.9	390.1	360.8	323.5	278.7
Surplus:	3021.7	2452.0	1815.3	1108.7	347.1

Notes:

1. Trust Fund income is FAA projection dated 12/14/79 adjusted for tax reductions of 4% ticket tax, 2% waybill tax, and $1.00 International Tax.
2. Prior year balance in FY-1981 is as shown in FY-1981 Federal Budget document.
3. Appropriations are those shown in Exhibit II as recommended in this statement.
4. Interest was computed at 8.5% (current average rate paid by Treasury) on unexpended balances.

B. Defederalization. When we testified before this Committee at its prior hearing on the airport and airway program on September 10, 1979, we indicated support for the defederalization concept, under which approximately 70 of the largest airports would be removed from the ADAP program, permitting the domestic ticket tax to be reduced from 8% to 2%.

Since the time of that testimony, there has been a growing interest on the part of airport operators in linking defederalization with a supplemental funding mechanism, perhaps a head tax imposed by individual airports. Head taxes on airport passengers are prohibited under existing law. We urge the Committee to retain the present prohibition against head taxes and avoid the establishment of any supplemental funding mechanism.

C. Additional Matters.

1. State Involvement. We are pleased to note that the Committee bill does not provide for an enlarged role for the States, as proposed by the Administration. In the light of this, we question the need for the funds for State and local government employee training provided in Section 5(e) of the bill.

2. Industrial Development Bonds. Though not covered by the bill, the airlines are concerned with the limitation on use of airport development bonds proposed in pending Internal Revenue Service (IRS) rulemaking.

The proposed rule has the effect of excluding certain airline facilities from eligibility for funding through airport development bonds. We believe the Congress should give appropriate policy guidance to the IRS in this important matter.

3. Security Charges. We are pleased that the Committee bill includes a provision in Section 22 which authorizes the reimbursement of air carriers for their expenditures in maintaining security facilities for passengers travelling internationally. When the act was amended in 1976, you directed the Secretary of Transportation to reimburse carriers for these security costs for Fiscal Years 1976, 1977 and 1978. To date, notwithstanding the clearly stated intent of Congress, carriers have not been reimbursed for these costs and have continued to incur additional expenses. This provision will authorize the recovery of these past expenses.

4. Federal Inspection Agency Facilities. In 1961 the Federal Airport Act was amended to authorize federal inspection agencies to pay rental fees for the space they occupy at airports. The Senate Report accompanying the Act stated, "Since these duties are strictly governmental and generally of no direct benefit to the users .....it is a matter of simple equity for the Federal Government to bear the responsibility for assuming the costs..." Nonetheless, since then federal inspection agencies have continued to receive their airport facilities and services free. The inspection

agencies are no more pleased with this arrangement than are the airlines, general aviation, other airport tenants and airport operators.

In order to terminate this inequity, we urge an amendment to H.R. 6721 to direct the agencies to pay rent to airports where they occupy space.

AIRPORT ACCESS ISSUES

Section 302 of the Administration's bill, H.R. 3745, addresses airport access issues. Although no similar section appears in the Committee bill, the questions the Committee asked us to discuss, in its announcement of these hearings, are similar to those which arise in Section 302.

Section 302 proposes new authority for the Secretary of Transportation to regulate airline and airport operations. We do not believe that the new authority being sought is necessary or desirable. In fact, such additional regulatory authority is inconsistent with Congressional efforts to reduce government involvement in, and control over, American business.

This proposal would give the Secretary of Transportation the power to abrogate use and lease contracts between airlines and airport operators. It would also authorize the Secretary to impose restrictions at any airport for safety, efficiency, or congestion control reasons, and it would give the federal government the right to decide how operations at a restricted airport would be allocated among the users.

We do not believe there is, or should be, any argument about safety. The federal government is legally responsible for safety regulation, and no one questions its authority to take necessary regulatory actions for safety reasons. In other words, the Federal Aviation Act now provides sufficient authority to regulate safety. No new legislation is needed.

Moreover, the broad authority of the Federal Aviation Act is available to deal with disruptive congestion and traffic delay problems. That authority was used by the FAA when the High Density Traffic Airport rule was imposed in 1968. This federal rule continues to restrict the number of hourly flight operations at O'Hare, LaGuardia, Kennedy, and Washington National airports. It was adopted 12 years ago because of the number of excessive delays then being experienced at those airports, and it remains in effect basically unchanged today.

Unless that authority is used sparingly, it can be counterproductive. If it is used as an expediency it will inhibit solving the problem since it is apt to reduce the incentive to press for meaningful increases in capacity. In this connection, we are fearful that comfortable reliance on the High Density Traffic Airport Rule to deal with congestion, in addition to paralyzing needed efforts to increase airway and airport capacity, has distracted

FAA's attention from the technical and operational improvements that have taken place since the rule was adopted 12 years ago. This has resulted in under-use of available capacity to date -- to the detriment of the travelling and shipping public and the nation's economy in general.

The problems of federal capacity limitations aside, the highly integrated network of airline services, meeting public demand on a national and international basis today, simply cannot be regulated, controlled or restricted at the local level. It takes little imagination to recognize that quotas, curfews and other operational constraints imposed on the local level directly affect the operation of this integrated air transport system in other parts of the country and the world. Indeed, today's air transport system would come to a near standstill if each and every community were to impose its own choice of rules to meet what it considers to be its own particular congestion or noise problem.

Although Section 302 of the Administration's bill is directed to safety and congestion, it is silent on the critical question of noise. Federal actions and inactions on noise demand the attention of Congress. Instead of facing up to the need to resolve the noise problems on a national basis, the federal government is actively encouraging local communities to establish their own noise rules. Local noise initiatives are being suggested in increasing numbers.

The widespread imposition of independently designed local rules could seriously disrupt the national air transportation system and jeopardize interstate commerce.

If airport access legislation is considered necessary, then it should take into account the damage to the air transport system which will occur if independently developed restrictive local rules are allowed to be established throughout the country. To prevent this, legislation should specifically preclude the imposition of local safety or congestion restrictions, should require local noise rule proposals to be submmtted for FAA review, and should mandate FAA disapproval of local noise rule proposals if they·

- are inconsistent with maintaining the highest degree of safety in air commerce and air transportation in the public interest; or
- are inconsistent with maintaining the efficient utilization of the air space; or
- create an undue burden on interstate or foreign commerce or interfere unduly with the air transport system; or
- are unjustly discriminatory; or
- conflict with the FAA's statutory regulatory authority.

In summary, the position of the airline industry is that no congestion restrictions should be imposed unless it is established that air or ground congestion significantly disrupts the air transport system. Any restrictions for which such a need is demonstrated, should be imposed at the federal level, as in the case of the High Density Traffic Airport rule. Where congestion or noise restrictions are necessary, procedures for allocating quotas or otherwise limiting operations should be developed with the full participation of the affected airlines. Airport sponsors should be prohibited from imposing restrictions or establishing procedures for allocating quotas. In cases where an airport operator proposes use restrictions for noise abatement purposes, such proposals should be reviewed by FAA and disapproved if they do not meet any of the five standards outlined above.

Finally, we strongly oppose the proposal contained in Section 302 of H.R. 3745 which would give the Secretary the authority to abrogate contracts between airlines and airport operators. Vast sums have been expended by the airlines in the construction of terminal and cargo facilities at airports throughout the country. These expenditures were made in order to meet the requirements of the travelling and shipping public. Contracts between airports and airlines recognize the investments and risks of both parties, and represent necessary collateral for the issuance and sale of bonds.

There simply is no need for the sweeping and far-reaching power which is being sought to abrogate contracts. We believe contractual arrangements will continue to be essential to assure needed airport development. These arrangements should not be threatened by broad legislative authority permitting federal employees to decide if some other short term goal can be met by overturning contracts which have been effective and beneficial to the public interest over the long term.

CONCLUSION

This completes our prepared testimony. We commend the Committee for its recognition of the need to assure that airport and airway capacity and facilities will be sufficient to meet the highest standards of safety; and to provide the resources to enable the national air transportation system to function efficiently, with a minimum of costly delays. We believe that the Trust Fund receipts will be more than adequate to meet these important goals, thereby providing an opportunity for tax relief to airline passengers and shippers whose contributions to the Trust Fund have been and continue to be higher than they need to be.

Mr. **Fary**. Please proceed.

TESTIMONY OF PAUL IGNATIUS, PRESIDENT, AIR TRANSPORT ASSOCIATION, ACCOMPANIED BY NORMAN J. PHILION, EXECUTIVE VICE PRESIDENT; CLIFTON F. VON KANN, SENIOR VICE PRESIDENT, OPERATIONS & AIRPORTS; SPENCER LE ROY, DIRECTOR, SYSTEM PROPERTIES, UNITED AIRLINES; AND JAMES LANDRY, ATA GENERAL COUNSEL

Mr. **Ignatius**. Mr. Chairman, I have often watched the "Late, Late Show", but I never realized I would be on it. I am very glad to be here, nevertheless, and appreciate your willingness to conduct the hearings, even though you have heard a great deal of testimony and the hour is late.

Because of the comprehensive nature of this hearing, addressing as it does both the important ADAP bill and second, the penetrating questions that the committee raised with regard to airport access when it announced these hearings, I have asked to accompany me here today a number of our senior members of the ATA staff and one leader from the airline industry itself, in the areas of the committee's interest.

On my immediate right is Norm Philion, who is executive vice president of ATA; on his right is Jim Landry, who is our general counsel—a number of the questions have been legal questions. On my immediate left is Clifton von Kann, who is senior vice president, operations and airports, and who has done a lot of the work in preparing our testimony on the ADAP bill; and finally, I am delighted to be able to introduce Mr. Spencer Le Roy, on my far left, who is director of system properties for United Airlines and who is with us in the event the committee wishes to ask detailed questions about airport contracts, and so forth.

I assume that my full statement will be made a part of the record, and in the interest of conserving your time, I would propose to brief my statement, and then we will respond to questions.

Mr. **Fary**. You may extemporize or do as you please.

As you know, I am only the temporary chairman. Had I been the full chairman, I would have probably called you before you came down today, Mr. Ignatius.

You may proceed in any manner or fashion you wish. Your statement will be inserted at the end of your oral testimony. You have the expertise of the operation of this committee, so make yourself at home.

Mr. **Ignatius**. Thank you very much, sir.

To begin with, the Airport and Airway Act affects all phases of airline operations and involves a number of important aviation issues. We have certainly seen evidence of that in the extensive hearings that have been held today.

It is essential, we believe, that the legislation be reauthorized so that progress can be continued in the unending effort to make air transportation even safer and more efficient. And the airport access questions are also very important, and we will comment on these in some detail.

When the committee bill was introduced on March 6, the chairman of the committee wisely called attention to the major issues which the reauthorizing legislation should address. First and foremost among these, he said, is that, "substantial development will be required to insure that our airport system is safe and able to accommodate the increased traffic which is expected," end of quote.

Traffic growth will be substantial in the coming years, from air carriers, from the general aviation community, from commuters. It will require an expansion and improvement of airway facilities if safe operations are to continue.

With the growth of private aviation and the increasing contribution that commuter airlines are making to the national air transportation system, more attention must be paid to assuring the adequacy of reliever airports to handle the burgeoning growth of private aviation and at the smaller airports, that are principally used by the commuter airlines.

We are delighted that the bill provides additional funds for reliever airports. We think that is needed, and we support it, and we are delighted to see that so much attention is being placed on the commuter airlines, who play an increasingly important role in the nations' air transportation system, particularly as a result of deregulation that became the law of the land 15 or 16 months ago.

Turning to noise, this committee has paid particular attention to this important problem, and the bill that the committee has before it includes some specific proposals with associated funds to assure further progress in the noise field.

Now, to do all the things that are required to maintain safety, capacity, efficiency, and to deal with some of the environmental needs will require a responsive and effective system management effort by the Federal Aviation Administration. And again, we commend the committee for hiqhlighting this important point in the bill that you have before you.

Finally, action is needed to assure a balance between trust fund receipts and disbursements. For an embarrassingly long period of time, the trust fund has shown a large surplus, now almost $3.5 billion. Necessary programs to meet identified needs must be adequately funded, but once this is done, relief must be provided to airline passengers and shippers, who contribute more than 90 percent of trust fund receipts.

Existing taxes on domestic and international passengers and shippers can and should be reduced. We very much hope that the committee will recommend appropriate tax reductions before it completes its legislative effort. We are encouraged in this regard since, again, the introductory statement on March 6 stated: "It would also be possible to carry out the recommended program by reducing user taxes and by reducing the $3.5 billion surplus in the trust fund at the start of fiscal 1981," end of quote.

Now, with these general comments in mind, I would like to turn to specific aspects of the committee bill. First, the important category of facilities and equipment.

At the present time, as you know, facilities and equipment are authorized at about a quarter of a billion dollar level, $250 million a year. We are pleased that the committee has recognized the need for higher levels of investment in order to provide sufficient capability in the F. & E. category to meet the anticipated demands of the eighties, some $525 million for F. & E. beginning in fiscal year 1981.

We have some reservations concerning FAA's ability to acquire and install hardware at more than double the current rate. But these doubts could be alleviated if this bill contained provisions which would require the FAA to improve its long-term planning and project management in order to assure that safety and capacity requirements are met.

In this connection, I might simply add a comment here, that the testimony this morning from the Department of Transportation and the Federal Aviation Administration seemed to me, when I heard it, to underscore the need for long range planning, to set forth in some kind of logical pattern of what the safety and capacity needs were, when they were intended to be met, and the funds needed each year in order to meet those schedules.

This suggests to us, then, that the bill might contain provisions requiring FAA to reinstitute its 10-year plan, which served in the past as a useful planning and management tool, designed to keep all parties, including the Congress, informed. Reinstitution of the 10-year plan would help to overcome a growing FAA tendency to speak about scarce resources instead of deliberately initiating the measures needed to assure sufficient capacity.

We recommend that the committee consider language that would subject the F and E authorization to a requirement that the FAA submit to the Congress within 120 days after enactment of the legislation a detailed 10-year plan, indicating safety facility acquisitions, required capacity at major hub airports, required airport capacity with phased deadlines for further airway automation, research, engineering, and development funds required to meet the projected schedules, and finally, system management plans, including project managers in FAA, to handle the major program segments.

The 10-year plan should be updated and resubmitted annually. If this is done, the Congress could continue to monitor progress to ensure that the authorized funds are spent for needed projects to overcome anticipated resource limitations.

We believe, Mr. Chairman, that requiring the submission of a plan of this kind, updated annually as I have suggested, would address some of the concerns that were mentioned in questioning this morning by Mr. Levitas, Mr. Gingrich, I believe Chairman Anderson, and others.

I would like to turn now to the research, engineering and development category.

The committee bill proposes the same level as is currently authorized, namely, $85 million in fiscal year 1981, but it contemplates that the amount in the subsequent 4 years of the 5-year authorization period would be established by the Congress on the basis of annual reviews. We think there is merit in this approach. I think both we and the committee believe that F and E funding should be increased significantly; you would propose to increase it from $250 million to $525 million. And if this is done, the associated R. & D. money would need to be raised because the two are linked.

We would suggest that you consider a somewhat higher level in 1981, namely, $110 million instead of $85 million, and this would be adjusted annually upon the basis of the congressional reviews and the submission of the updated plan that I have already addressed.

Let me turn, now, to the ADAP category.

Currently, the authorized amount is $640 million. The committee bill proposes that this be raised to $875 million, a significant increase, growing by 7 percent each year over the 5-year period, to total somewhat over $5 billion.

Again, we are glad to see a larger figure, because we believe that anticipated growth will require funds higher than the level now in the legislation.

The starting point in 1981, $875 million in the committee bill, may be a little bit high. We would suggest that you look at a figure somewhere around $820 million as a starting point, again, increasing it by 7 percent each year or whatever figure you choose, to account for inflationary pressures. On this basis, the 5-year total, if the 7 percent inflationary adjustment figure were used, would be $4.7 billion over the 5-year period instead of the approximately $5 billion in the committee bill. This authorized amount would, of course, be reduced if the Congress ultimately decided to defederalize certain airports.

There are two other points in connection with ADAP. First, the largest single facility need in this decade will be adequate terminals. We support the provisions in the committee bill mandating that safety and security requirements be met before any obligations are made for terminals. But we think that the proposed limitations on enplanement funds should be relaxed somewhat in order to ease passenger handling problems at airports throughout the country.

Second, we suggest that you look at the category of airports as defined in the committee bill. There are seven separate categories, as we read the bill. We think that is more than is needed. We think breaking the airports down into three categories would be more effective. We suggest those three categories be commercial service airports, reliever airports, and the third category would be "all others."

Next, I will focus on the noise abatement planning and programs contained in the committee bill. The bill would authorize $150 million in fiscal 1981, increased annually by $15 million over the 5-year period, for a total of $900 million.

We have earlier testified in support of this program category. Again, we think the amounts contained in H.R. 6721 are larger than can be efficiently spent. We propose instead that this program start at a level of $100 million, which is substantially more than the current funding level, adding $15 million each year as the committee bill proposes, for a total of $650 million over the 5-year period rather than the $900 million now contained in the bill.

As I say, we think that you should start at a lower level, because there is a good deal of preparatory work that needs to be done involving computer modelling and so forth, and until that work is accomplished, it is not possible to spend the money in an appropriate fashion.

I would like to turn now to the important area of operations and maintenance.

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Mr. **Fary**. Mr. Ignatius, pardon me. We must recess for 10 minutes pending a vote.

Mr. **Ignatius**. Thank you, sir.

[Short recess.]

Mr. **Fary**. May we proceed?

Mr. **Ignatius**. Thank you, Mr. Fary.

I was discussing the operations and maintenance funding. Currently, the trust fund contributes $325 million a year toward FAA operations and maintenance costs.

The committee bill would raise this to $400 million in 1981, and raise it by 7 percent each year, to a total of $2.3 billion over the 5-year period.

As I said earlier, airline passengers and shippers contribute more than 90-percent of trust fund revenues. The Department of Transportation, in its most recent cost allocation study, has found that air carrier passengers and shippers substantially reimburse the Federal Government for the cost of the airport and airway services provided.

That being the case, we oppose the administration proposal contained in their bill, to divert $6 billion from trust fund moneys over the 5-year period to the O&M account. We applaud the committee for including a substantially lesser amount in its bill.

Indeed, we recommend a somewhat lower figure of $350 million in fiscal year 1981, growing by $25 million each year over the 5-year period.

Now, quickly, there are several other issues associated with the airport and airway bill. First, the trust fund surplus. Currently this stands at about $3.5 billion. It is expected to grow to about $10 billion if the present program levels and the present tax structure are maintained. Clearly, a change is needed to bring trust fund receipts and disbursements into better balance.

As we have repeatedly testified, we believe the most equitable and effective way to do this would be to reduce the taxes for airline passengers and shippers.

My statement contains several exhibits. Exhibit I is the committee's authorization levels at the current tax rate, and over the 5-year period, ending in fiscal year 1985, there would be almost $6 billion in surplus moneys in the trust fund, even if the program elements were raised by the amounts proposed in the committee's bill.

I show the modified committee funding levels that I have addressed in my testimony. On the next page, exhibit III shows these modified funding levels with the tax reductions that we propose, namely, a 4-percent ticket tax domestically, a 3-percent waybill tax, and a $2 international tax.

If these tax reductions were made, and if the appropriations were increased in the way that we suggest, there would be money remaining in the trust fund throughout the 5-year period.

The second issue I would like to discuss briefly is the question of defederalization.

When we testified before this committee at its prior hearing, on September 10, we indicated support for the defederalization concept, under which approximately 70 or so of the largest airports would be removed from the ADAP program, permitting the domestic ticket tax to be reduced from 8 percent to 2 percent.

Since the time of that testimony, there has been a growing interest on the part of airport operators particularly, in linking defederalization with some kind of supplemental funding mechanism, perhaps a head tax imposed by individual airports. Head taxes on airport passengers are prohibited under existing law. We urge the committee to retain the present prohibition against head taxes, and avoid the establishment of any supplemental funding mechanism.

There are several additional matters which I mention in my statement, beginning on page 15. First, state involvement. We support what the committee intends to do in this regard. We question whether you need the employee training funds included in section 5(e) of the bill.

Next, industrial development bonds, IRS is considering a different definition of an airport which would affect this important financing mechanism, and we believe the Congress should give appropriate policy guidance to the IRS in this matter.

Third, security charges. We are glad to see that the committee bill includes a provision in section 22 which authorizes the reimbursement of air carriers for their expenditures in maintaining security facilities for passengers traveling internationally. This problem has been around for a long time, and the committee bill would address the need to find a solution to it.

Next, federal inspection agency facilities. Here we are talking about space occupied by the Customs Service and other Federal inspection agencies. In 1961, the Federal Airport Act was passed, and the report accompanying it said, "since these duties are strictly governmental and generally of no direct benefit to the users, it is a matter of simple equity for the Federal Government to bear the responsibility for assuming the costs."

They have not done so, and we hope that they will begin to do so, so that those costs would be met by the agencies for whom the costs are being incurred.

Finally, we have an additional section not contained in my statement, which I would like to just mention in passing. Namely, the proper use of airport revenues. We will submit for the record more detailed information on this, but what we are addressing here is the moneys collected from airline passengers and shippers, to be used at the airport, and for airport needs, and not for other needs that the community may have.

We have next a number of pages of testimony, Mr. Fary, on airport access, responding to the committee questions. In view of the lateness of the hour, and in view of the fact that my full statement has been admitted for the record, I do not propose to go into them, into the detail here, but I must say in doing that, that I think these are extremely important points, and I know that you and the staff will give attention to what we and other witnesses have stated on these matters.

I might just read a summary paragraph here, in order to convey the general flavor of our testimony.

The position of the airline industry is that no congestion restrictions should be imposed unless it is established that air or ground congestion significantly disrupts the air transport system. Any restrictions for which such a need is demonstrated should be imposed at the Federal level, as in the case of the high density traffic rule today. Where congestion and noise restrictions are necessary, procedures for allocating quotas, or otherwise limiting operations, should be developed with the full participation of the affected airlines. Airport sponsors should be prohibited from imposing restrictions, or establishing procedures for allocating quotas.

Our point here is that you cannot have a national air transportation system if each airport unilaterally on its own, can make rules that affect transportion to or from other airports. We have set forth in prior paragraphs of my statement, particularly on page 20, a number of standards which we believe should be employed by the Federal Aviation Administration in reviewing and giving concurrence to what airport operators may propose with respect to local noise rules.

In cases where an airport operator proposes use restrictions for noise abatement purposes, such proposals should be reviewed by FAA, and disapproved if they do not meet any 1 of the 5 standards contained in my statement.

As a final comment, I thought there was a great deal of merit in the suggestion that was made by Congressman Levitas, for a conference of the affected parties, including the airlines, to study and report to the Congress on the airport access matter. It is perfectly clear from this morning's testimony that there are very complex problems here, where equities of new carriers, as well as equities of prior carriers at an airport, are involved. I raise the question for the committee as to whether you would not be better off having the kind of conference that Mr. Levitas has suggested, before legislating.

It seems to me it might be premature to legislate at this time, in light of the kinds of problems that were brought to the committee's attention this morning. If a study were done promptly, if the participants were told that unless they came up with alternative solutions, that someone else might propose solutions for them, less effective than they might come up with, there would be an incentive, it seems to me, to find some alternative ways, and effective ways of handling these difficult problems.

That completes my testimony. I very much appreciate your courtesy in hearing me and my associates, and I now would be pleased to respond to your questions.

Mr. FARY. All right.

We will start out by recessing for 10 minutes, pending a vote.

Mr. IGNATIUS. All right, sir, we will be here.

Mr. FARY. We will be right back.

[Short recess.]

Mr. FARY. The subcommittee will come to order. We will proceed with the questions, unless any of you other gentlemen wish to make a statement.

Mr. IGNATIUS. We have no further statements, Mr. Chairman.

Mr. FARY. If total airport development financing had been left to the airlines over the past 10 years, are there projects which were funded by ADAP which you would not have undertaken?

Mr. **Ignatius**. Mr. Chairman, most of the ADAP type projects over the last 10 years have been funded as a result of negotiations between airport operators and airport users, principally the airlines. I believe across the system of airports, taking all of the facilities at airports, some 90 percent of the costs of facilities of this kind have been met through this process of negotiation and only 10 percent have been met from ADAP moneys. Therefore, I would assume that the same process of negotiation, which covered 90 percent of the requirements, would also address the remaining 10 percent of the requirements.

Mr. **Fary**. In your testimony on noise, you state that the $150 million fiscal 1981 authorization in H.R. 6721 is larger than can be efficiently spent.

I have difficulty in understanding your reasoning. It seems obvious to me that we could easily spend many times $150 million to reduce the unacceptable noise levels faced by more than six million persons living near busy airports. I suspect that we could spend $150 million in any one of our large cities alone.

Could you explain the reasoning leading to your conclusion that $150 million could not be efficiently spent in fiscal 1981?

Mr. **Ignatius**. The purpose of this funding, as I understand it, is to develop noise compatability plans and programs at many airports around the country. To do this, the noise bill has required the establishment of a single noise measurement system established through the regulatory process by the Secretary of Transportation.

To the best of my knowledge, that single noise measuring system is still in the development process and it will be late fall of this year, the earliest, I am told, before even that one aspect of the necessary preliminary work will be completed. Following that, plans must be prepared and experts in this field have told me that to prepare those plans, it is necessary to make use of computer programs that will take an appreciable amount of time to develop and perfect. These are based upon models which have to be constructed, which calculate noise impact in a way that is useful for decision-making purposes. All this being the case, it seemed to us that there was enough startup time involved in the process so that to spend effectively $150 million in the first year of the program, fiscal year 1981, would be difficult. Indeed, the mere fact that you could spend all of the money at one airport underscores the need for doing this carefully because you clearly cannot spend a disproportionate amount of it at any one airport.

Therefore, there has to be very careful programing and reviewing in order to have a program that would meet in some way the many needs that would arise throughout the airport system.

Mr. **Fary**. Now, you have proposed that the Federal Government be required to approve any restrictions imposed by airport proprietors to reduce noise.

If the Federal Government is going to play an active role in determining what the proprietor can or cannot do, would it not be fair to have the Federal Government assume some or all of the liability when aircraft operations cause a reduction in property values near the airport?

Mr. **Ignatius**. I think that a long standing need is for the Federal Government to stand up to its responsibilities in this area more than it has done in the past. All of us know that you cannot operate a national air transportation system with local rulemaking. You have to think of the national system as a whole.

By the same token, you do not want to preclude local people from suggesting possible solutions to their problems. They can propose this, they should propose it, but the FAA should review and give final approval.

Now, it is said that their reluctance to do this is the fear that if they get involved in the approval process, they will then become liable for any damages that might be found.

First, the amount of damages to date are very, very minimal. The claims that have been paid in court for noise damage purposes are less than $20 million, maybe less than $10 million over a period of many, many years. So the amount of money to date has not been large.

Second, because the Federal Government, it seems to me, inherently must play a role in this, they should, perhaps at some point, expect that they might have to share in some way in the liability for any damages that are assessed, recognizing, as I said, that to date these damages have been very minimal.

Mr. **Fary**. We have a few additional questions which we would like you to respond to in writing if you have no objections, Mr. Ignatius.

Mr. **Ignatius**. I have no objection to that at all.

Mr. **Fary**. If not, that will conclude the hearings of your panel before this committee today.

I am sorry to have kept you here so long. But you know the business as well as I do, in fact much better than I do. It is pretty hard to expedite it at times. We still have another witness left to be heard after you leave, Mr. Ignatius.

Now, the questions will be submitted to you by counsel and then you can send them in.

Mr. **Ignatius**. Thank you, Mr. Chairman. I appreciate your courtesy.

[The following was received for the record:]

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PAUL R. IGNATIUS
President and
Chief Executive Officer

April 4, 1980

The Honorable Glenn M. Anderson
Chairman, Subcommittee on Aviation
Public Works and Transportation Committee
2410 Rayburn House Office Building
Washington, D. C. 20515

Dear Mr. Chairman:

On behalf of the airlines, I want to thank you for the opportunity to testify on reauthorization of the Airport and Airway Development Act of 1970. The hearings last week permitted many important issues to be discussed in depth, and I hope our testimony was helpful to the Committee.

In addition to the questions addressed to me at the hearing, I was asked to provide answers to several written questions. Attachment A is our response to the specific questions. I would like also to amplify several other issues in this letter.

First, the subject of tax reduction to airline passengers and shippers merits further emphasis. In this connection, we are pleased that H.R. 6721 (as well as S. 1648) rejected the concept that several billion dollars should be taken from the Aviation Trust Fund to finance FAA O&M costs. Assuming that the House and Senate are in agreement on this point, we are faced with the fact that even with the substantial capital investments in airport and airway facilities recommended by the airlines or contained in the Committee bill, the Trust Fund will grow to unconscionable levels unless there is a reduction in passenger and shipper taxes. It is difficult to construct an argument for keeping taxes higher than they need to be to meet essential safety and capacity requirements. Airline passengers and shippers, whose past contributions have produced the enormous Trust Fund surplus, are entitled to relief. We hope the Committee will recognize the underlying equity of this matter and recommend appropriate tax reduction.

The Honorable Glenn M. Anderson
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The second point involves airport access. In the course of the hearings, Administration witnesses cited examples intended to show the difficulties that carriers were encountering in introducing new services at certain airports. We are familiar with the examples mentioned. Several involve airports in California and are being litigated at the present time. But as explained in Attachment B, most of the problems of this type are of short duration only, and represent the kinds of difficulties that generally arise in the process of negotiation and that are satisfactorily concluded as the negotiations progress. The system has shown great adaptability for resolving short term difficulties of this type, enabling carriers to introduce new services in accordance with the provisions of the Airline Deregulation Act. Thus, there is no need to expand the powers of the federal government, as the Administration witnesses urged.

There are several additional items of a "fine tuning" nature that warrant the Committee's attention and support. Attachment C details these points, and my staff will be happy to discuss them in greater detail with the Committee staff.

Again, thank you for conducting an outstanding series of hearings on a subject of vital importance.

Sincerely,

Paul R. Ignatius

Paul R. Ignatius
President and Chief Executive Officer

Enclosures

Attachment A

At the conclusion of the Air Transport Association testimony before the Subcommittee on March 27, it was requested that we respond for the record to a series of questions. The Subcommittee's questions and our responses follow:

1. Does your association have any position on the methods which should be used to allocate capacity when restrictions are needed on overall operations at an airport?

The scheduling committee system, adopted in 1968 in order to comply with hourly quotas assigned to certificated air carriers by FAA's High Density Traffic Airport rule, is the only allocation method with which anyone has practical experience. This system has worked effectively for more than a decade to meet the requirements of the rule, and no superior allocation method has been demonstrated.

It is the position of the airline industry that no capacity restrictions should be imposed unless there is significant disruption to the air transport system. Where the need for such restrictions is clearly demonstrated, they should be imposed at the federal level, as was the case when FAA adopted the High Density Traffic Airport rule in 1968. Airport sponsors should be prohibited from imposing congestion restrictions, and no local noise abatement proposals should be allowed to become effective without FAA approval.

Methods and procedures for allocating capacity or otherwise limiting operations where a need has been demonstrated should be developed with the full participation of the affected airlines. Neither airport sponsors nor the federal government should be permitted to impose a particular allocation method arbitrarily. No method should be adopted until its workability is determined through a practical, real-world demonstration. In exploring alternative allocation methods, substantial weight must be given to their effects on the cost of air transportation and their consistency with other national policy objectives. Moreover, careful consideration should be given to whether they will involve more or less governmental regulation and public expense.

2. Do you have any preference between scheduling committees of airlines, slot auctions or lotteries, or "open skies" proposals in which the airlines would voluntarily reduce operations when congestion reached unacceptable levels?

The scheduling committee system should be permitted to continue until a superior system has been demonstrated. This system has accommodated many changes during its existence, including significant traffic growth, the establishment of new routes, and the entry of new carriers. (In the case of Washington National Airport, the number of carriers has doubled since the rule became effective). No new entrant has ever been denied access because of the operation of scheduling committees. No carrier has ever challenged the legality of the committee system. No carrier or, indeed, no citizen or government observer, has ever challenged the fairness of the committee system. The record is clear - 11 years of negotiations to make needed schedule adjustments on a voluntary basis have been highly successful, and they have been conducted without any allegation of impropriety.

It is said that the committee system will become unworkable as demand for capacity grows. Traffic growth in the face of unyielding restrictions is a difficult problem. The difficulty, however, is not with the committee system, but rather is the result of inaction to increase capacity or to assure its most productive utilization. The High Density Traffic Airport rule, which resulted in the establishment of scheduling committees, was adopted by the FAA in 1968 as a "temporary" measure pending enhancement of airport and airway capacity. And yet, 11 years later, the hourly limitations on flight operations remain unchanged, notwithstanding the improvements which have occurred since 1968, and the even greater need today for maximum efficiency. In short, the very existence of capacity restrictions can reduce the incentive to seek needed capacity and productivity improvements.

The airlines believe that the High Density Traffic Airport rule should be re-examined to determine the need for some or all of the current restrictions and the possibility of appropriate revisions. The time has come to review the justification for hourly flight limitations established 11 years ago at Kennedy, LaGuardia, O'Hare, and Washington National Airports in the light of today's public needs and actual operational capabilities.

The airlines are prepared to examine alternative methods of allocating capacity. However, the consensus of the airline industry is that auction and lottery methods so far suggested do not appear to be practical and they would be inconsistent with national policies relating to smaller community services and international commitments. Either method would involve substantial amounts of government interference and new regulation. With some 900,000 airline slots to be allocated annually at the four airports covered by the High Density Traffic Airport rule, it is not difficult to see that sensible and efficient flight scheduling and fleet planning would become virtually impossible under either a "luck of the draw" system, or one where only the price of a bid determines which flights may operate.

Airline scheduling is a highly sophisticated and extremely complex planning process designed to meet public demand as efficiently and economically as possible. It simply cannot be left to the complete unpredictability of a game of chance, or to the differing priorities and capabilities of the bidders.

An auction system, by its very nature, would require substantial bids and payments for permission to operate at restricted airports -- payments which would have to be passed on to airline customers. The payments would be substantial because the price of the bids would have to be high enough to reduce demand for entry -- the ultimate objective of an auction allocation. Unsuccessful bidders, of course, most assuredly would be denied airport access, with their only possible recourse being to raise the bid and increase the cost of air transportation even higher.

The lottery system is surely unacceptable where public service is concerned. Moreover, it is unworkable and ought not to be considered seriously as an alternative method of allocating capacity. Nor can an auction system, which encourages artifically established higher costs, and needlessly raises prices the public must pay for air service, seriously be considered preferable to scheduling committees. Perhaps there are other and better alternatives yet to be considered, and the airlines are willing to explore such possibilities with the various parties of interest.

3. In your testimony, you indicate that you would oppose any proposals for State control of funding for general aviation airports. Could you explain why you oppose any increased State role when it would not directly affect the airports serviced by your members?

In our testimony, we simply stated that "we are pleased to note that the Committee bill does not provide for an enlarged role for the States as proposed by the Administration".

Several States already play an important role in airport development. Some States are airport operators. Some States have a project review and approval process and/or a grant flow-through procedure. Some States offer design assistance. And some States provide matching funds for planning and project development. This being the case, we see no requirement for legislative action.

From time to time, there have been proposals to mandate increased State involvement to varying degrees. We see no need for such a mandate since many States have been able to play a meaningful role without further legislative direction. Most recently a suggestion has been made that a separate and additional amount of ADAP funds be earmarked for expenditure by the States. In view of the proposed increased ADAP levels for all classes of airports, we oppose this proposal as unnecessary.

Attachment B

During the hearings some witnesses indicated that airlines have found it difficult to introduce new services at certain airports. Three types of examples were cited: 1) some airports (primarily in California) where access may be limited by noise problems, 2) four airports operating under FAA's High Density Traffic Airport rule, and 3) a few busy airports where access may have been at least temporarily limited by available facilities.

In the first instance, pending litigation, could ameliorate the situation. In the case of the four "slotted" airports, airline scheduling committees have, for over ten years, been able to make voluntary adjustments to their schedules in order to comply with the FAA quotas. These quotas have been met at all airports without denying entry to any newcomer.

Finally, at airports where there has been no uncommitted terminal space, new entrants have been able to negotiate arrangements with other carriers to share existing facilities. No instance has yet been cited where new entrants have been denied joint use of facilities.

Attachment C

There are several changes that we would like to suggest which would improve the effort of the Committee in extending and improving on provisions of the ADAP.

1. Because pressure increases each year for cities to attempt to use airport revenues for non-airport purposes, we propose that language along the following lines be added under Section 10(a) to H.R. 6721 to assure that airport users would not be burdened with "hidden taxation" to support unrelated municipal services:

> "Any airport that received or receives Federal assistance under this Act, the Federal Airport Act of 1946, the Airport and Airway Development Act of 1970 (49 U.S.C. 1711 et seq.) or the Surplus Property Act of 1944, either before or after the date of the enactment of this paragraph, shall use revenues generated at the airport only for the capital and operating expenses of the airport except that nothing in this subparagraph shall be construed as (i) restricting an airport sponsor that operates more than one airport from allocating revenues from one of its airports for the operating and capital expenses of another of its airports, and/or (ii) as prohibiting the use of airport revenues for the payment of debt service on consolidated revenue bonds issued by an airport owner or operator when such owner or operator has borrowed development funds for such airport and other transportation facilities through consolidated revenues of the airport and other transportation facilities to the extent required to comply with covenants made in connection with such revenue bonds".

2. Section 9(a) of H.R. 6721 provides that the Federal share under ADAP shall be 90 per centum of allowable project costs but under (b) language states that for large and medium hub airports, the Federal share shall not exceed 75 per centum. This is patently unfair to airports where the need is greatest. The language should be changed to shall be so that the amount available will be known in advance and not be subject to arbitrary FAA actions.

3. In Section 12(b) terminal development is allowed but is limited to 60 per centum of apportioned funds with a Federal matching share of 50 per centum, but only if all required safety and security equipment has been acquired.

We concur that safety and security equipment must first be provided. However, because most of the ADAP funds have been used for airfield improvements over the last 10 years, terminal congestion is becoming the greater problem. To help provide adequate public space in the terminals for the passengers who pay the taxes, we recommend that 75 per centum of the ADAP enplanement funds be authorized for construction and that the federal matching share be increased from 50 to 75 per centum. In most cases, this will still constitute a relatively small share of the total cost of the terminals.

4. In commenting on the failure of the Federal Government to pay for facilities occupied by Federal inspection agencies, the airlines urged that H.R. 6721 be amended to direct the agencies to pay rent to airports where they occupy space. The following language is offered:

> "The airport operator or owner will charge fees and rents to the United States government, or appropriate agencies thereof, for any facilities and services being provided by such airport operator or owner to the United States government for federal inspection purposes so as to cover the full cost to the airport operator or owner of providing such facilities and services".

Mr. FARY. The next witness will be Webster B. Todd, vice president, public affairs, Frontier Airlines, Inc.

Mr. Todd, the full text of your prepared statement will appear in the record at this point.

[Statement referred to follows:]

Testimony of Webster B. Todd, Jr.

Vice President - Public Affairs, Frontier Airlines, Inc.

I am glad to have this opportunity to testify on behalf of Frontier Airlines about the problem of airport congestion and to offer a few suggestions as to the way in which airport access questions might be resolved.

FRONTIER'S RECOMMENDATIONS

There can be no doubt that, currently, there are serious shortages in airport and airspace capacity at some airports. Moreover, according to the FAA, increasing shortages of capacity can be expected in the future at numerous airports. Therefore, Frontier recommends that:

- Federally-established capacity standards be determined for airports which the FAA expects will have capacity shortages during the next five years.
- A locally-administered market system be established, tested, and then used to allocate capacity when operational demand exceeds supply.
- The allocation mechanism include an aftermarket permitting carriers to buy and sell "slots" among themselves and a method for initially allocating airport slots that does not cause undue harm to the traveling public or any air carrier.

- The mechanism must provide for the protection of service to small and medium-sized communities and not discriminate against smaller aircraft and shorter-haul routes.
- A clear national policy be established to expand airport facilities and eliminate the costs imposed by airport congestion.

Our views are consistent with the spirit and letter of the Deregulation Act, and we believe our recommendations can be implemented within the existing statutory framework. While we urge federal establishment of capacity standards and a locally-administered aftermarket, we envision a benign government role which merely recognizes at inception that airports and airways are capacity-limited, and that national standards should exist that can be applied when demand exceeds available capacity.

INTRODUCTION AND BACKGROUND

In Frontier's view, it is axiomatic that a finite limit exists as to the number of aircraft operations which can be accommodated at any airport during a specified period of time. That limit, as well as its causes, obviously varies from airport to airport, and genuine disagreement may exist as to what the precise limit is at a particular airport. Nevertheless, it cannot be seriously disputed that aircraft traffic demand at certain times of the day exceeds runway and airspace capacity at several airports and is severely straining or threatening capacity limits at others.1/ Moreover,

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1/ The severity and imminence of the problem is underscored by the FAA's recent prediction, as quoted in Aviation Daily (March 17, 1980, p. 81), that the average delay from Washington to New York in 10 years would approach six hours if current trends continue.

the existing ease of entry by air carriers under the Deregulation Act of 1978 has put increased pressure on airport resources and will create a tendency for demand to outpace capacity at an even greater rate than has historically been the case.

The ideal solution to airport capacity limitations is to increase capacity to accommodate demand, and Frontier strongly urges that a clear national policy of enhancing airway and airport capacity be adopted in order to better enable capacity to keep abreast of demand. In the near term, however, it is abundantly clear that formulation, development and construction of physical and technological improvements necessary to accommodate demand lags woefully behind both existing demand and likely demand growth in the future. For example, construction of a new major airport requires 10-15 years before completion, and even the addition of a new runway entails a two-to-four-year wait. Yet, at a relatively modest 7% annual growth rate, demand doubles in 10 years.

The problem is that the ideal solution--increasing capacity to accommodate demand--is, in the short term, simply theoretical. As a result, Frontier suggests that, until capacity is increased, a method be employed which efficiently allocates existing capacity among competing carriers in those instances where capacity cannot accommodate existing demand in a given time frame. As discussed below, Frontier believes that the traveling public and the industry would best be served by implementing (a) federally-established capacity standards for each airport which now has a serious airspace or capacity shortage and for each airport which the FAA expects will have such shortages in the next five years, and (b) a locally-administered market mechanism for the efficient allocation of limited airport capacity. We urge the Congress, the CAB and the FAA to move expeditiously forward to establish, implement and test such a system in the market place in order to assess its effect on the air transportation system.

FEDERALLY-ESTABLISHED CAPACITY STANDARDS

Dealing with the problem of airport access after demand exceeds capacity is just part of the problem--it does not address the question of whether capacity standards should be established for airports where demand does not now exceed capacity but which the FAA expects to suffer serious capacity shortages in the near future. We believe that in order to prevent public inconvenience the FAA should establish capacity standards for each airport at which it anticipates serious capacity shortages in the next five years. The criteria for establishing these standards should embody the concepts of limiting delay and inconvenience to the traveling public.

Capacity standards must be defined at the Federal level to assure consistency among airports experiencing congestion problems. If a variety of standards were established by individual airports, an unacceptable burden would be placed on the economic planning functions of virtually all carriers.

Frontier is not here proposing that quotas, once established under this system, be immediately divided among carriers. On the contrary, allocation of slots for each airport expected by the FAA to have serious capacity shortages in the next five years should only be triggered when demand for slots in a given time frame exceeds the pre-established quota for a specified period of time. We believe that such an anticipatory system is highly desirable in terms of preventing inconvenience to the traveling public before it occurs and better enables the industry to efficiently allocate its resources.

Frontier is cognizant of the criticism that existing quotas at airports included within the FAA's High Density Traffic Airport Rule have not been reviewed with an eye to quota adjustment. We therefore suggest that the standards established for each airport be subject to a regular and recurring audit in order to permit prompt quota adjustments due to improved technology or physical changes to the airport. Although we believe the FAA to be in the best position to establish this audit system, we suggest that quotas should be revised based on an airport's operating delay deviation from a prescribed norm. Thus, once a norm is established, quotas at airports experiencing delays above that norm would be reduced and vice versa.

MARKET APPROACHES TO AIRPORT CONGESTION

Confronted with increasing congestion at many airports, a number of analysts and policymakers have urged the use of a market or pricing mechanism to allocate increasingly scarce airport resources. While problems will undoubtedly be confronted in the formation of such a mechanism, Frontier believes a "slot market" is a fair, efficient and workable solution to the airport congestion problem. Frontier recommends that a locally-administered market mechanism be established, tested, and used to allocate federally-established capacity standards when operational demand exceeds supply.

A market approach has been recently suggested in a study by Polinomics Research Laboratories, Inc., for the CAB.[2] Polinomics recommends an allocation process using two distinct steps. The first involves a sealed bid, single price auction among competing carriers in order to initially allocate slots. The second step utilizes an aftermarket permitting carriers to buy and sell slots among themselves once the initial auction is completed. Polinomics suggests that an initial auction will reduce transactions' costs and generate funds for increased airport capacity. The aftermarket is designed to efficiently allocate existing airport capacity.

Frontier agrees that an aftermarket should be implemented at congested airports as a means for efficiently allocating scarce capacity. However, as discussed later in detail, the initial auction proposed by Polinomics appears to have certain drawbacks which Frontier believes warrants the study of alternative methods by which capacity, prior to operation of an aftermarket, might be initially allocated among competing carriers.

THE AFTERMARKET

Because of the nature of the airport capacity problem, an aftermarket affords an ideal solution for relieving congestion. This is due to the fact that airport congestion results when a carrier uses capacity at a capacity-constrained airport and imposes costs on other carriers and their passengers. Because these costs are not reflected in a carrier's decision to operate a flight, the result is the overuse of airport facilities in the form of delay and inconvenience for passengers, higher fuel bills and foregone profits on rescheduled or abandoned flights for all carriers.

2/ David M. Grether, R. Mark Isaac, and Charles R. Plott, Alternative Methods of Allocating Airport Slots: Performance and Evaluation, Polinomics Research Laboratories, Inc., August 1979.

An aftermarket approaches this problem in a direct and efficient manner by causing the price of using a slot to reflect these "external" costs of congestion--an attribute that is shared by no other method proposed to relieve congestion. The price of a slot is reflected in what a carrier must pay to acquire a slot for an added flight or, alternatively, in the payment from others a carrier must forego if it continues to use its initial allocation of slots. Simply stated, the price of a slot is determined in the marketplace. As such, it is in harmony with Congress' mandate to the CAB under the Deregulation Act to rely to the maximum extent possible on competitive market forces in performing its duties.

Moreover, an aftermarket eliminates unnecessary delay and inconvenience in the most efficient manner possible. During congested hours, only flights which have a value exceeding the market price of a slot will be operated, and congestion is therefore relieved by eliminating or rescheduling those flights which are less valuable to the passenger during peak hours.

An aftermarket also facilitates entry by more efficient carriers into currently congested airports. Indeed, a significant threat to the success of deregulation is the potential inability of efficient airlines to offer a competitive check in city-pair markets involving heavily congested airports. A carrier with lower costs will be willing to pay a higher price for an airport slot. So long as the aftermarket is competitive--and there is no reason to believe otherwise--low cost carriers will be able to acquire slots and offer lower fares to the passenger.

While Frontier believes the above considerations strongly recommend an aftermarket approach in allocating scarce airport capacity, extreme care must be exercised in formulating the aftermarket mechanism.

Capacity standards should reflect only "hard" constraints on airport resources such as available runway space and perhaps ground facilities. A slot market should not attempt to correct for any perceived "soft" constraints, such as noise pollution or other considerations. Problems like noise pollution are not specific to congested airports. Indeed, airport noise may be more of a problem during late-night and early-morning (i.e., uncongested) hours. Consequently, Frontier believes these problems can be more effectively addressed separately.

The market mechanism must also be particularly sensitive to small community/short-haul service and the capacity use characteristics among different aircraft types. If, for example, a slot were simply defined as a take-off or landing operation, serious biases would be generated against smaller aircraft and shorter haul markets, resulting in an inefficient and unfair allocation of slots. This is illustrated in Table A which shows percentage increase in fares which would occur for various aircraft sizes and lengths of haul if a $500 cost of a slot were passed on to passengers. As the table demonstrates, this crude definition of a slot imposes relatively greater costs for shorter-haul markets and smaller aircraft, both characteristics which are typical of service to small communities.

TABLE A

Percent Increase in Fares[a]

Distance (Miles)	Aircraft Size (number of seats) 100	150	200
200	14	11	7
800	4	3	2
2500	2	1	1

[a] Based on $500 cost of a slot and standard industry fare levels effective through December 31, 1979. Assumes all seats are sold.

This bias against short-haul markets and smaller aircraft can be easily rectified within an aftermarket framework by adjusting the definition of a slot. As Polinomics recognizes, "(c)ertain types of aircraft use more 'capacity' than do other aircraft. An increase in the percentage of "heavies" for example can result in a loss of airport capacity.".[3/] The solution is that a slot definition should specify the right to use a runway for a particular length of time. Thus, a slot might be defined as a "runway minute". Economic efficiency requires that, if a DC-10 takes twice the separation time as a DC-9 aircraft, the former operation must acquire twice the number of slots. Conversely, if lighter aircraft have the ability to make a runway available faster because of rapid turn-out capability on departure, or short final approach on landing, they must not be compelled to acquire an entire slot. Otherwise, carriers operating large aircraft will not bear all the costs of their operations and will continue to impose excessive congestion costs on smaller aircraft that may place a higher value on a prime-time slot.

3/ Polinomics, page VI-14.

Similarly, special provisions must be made to insure that passengers traveling in shorter-haul markets have access to congested airports during peak travel periods comparable to that afforded passengers traveling in longer-haul markets. First, it is clear that the provision of essential air service under the Deregulation Act should receive a preference. In addition, the relative prices paid for slots on shorter-haul and long-haul routes should be adjusted so that the amounts ultimately paid for slots reflect the cost differentials of operating in these markets.

While Frontier believes that these biases against smaller aircraft and shorter routes are especially disadvantageous for smaller communities, their adverse effects will also be noticed by larger communities. Thus, constraints on the use of smaller aircraft will impose losses not only on local passengers between small communities and a congested hub, but also on the numerous passengers whose flights are connecting to and from long-haul flights. Moreover, biases against short-haul flights will also have adverse effects on operations between many local markets involving only major cities. In any event, to the extent a marketplace system is used to allocate slots, special care must be taken to insure that bidding up the price by high density long-haul routes does not squeeze out short-haul service to small and medium-size communities.

THE INITIAL SLOT AUCTION

As noted above, Polinomics proposes that carriers obtain their initial allocation of slots to be traded in an aftermarket by purchasing them in a sealed-bid, one-price auction. While Frontier strongly endorses use of a locally-administered aftermarket to put slots to their most efficient use, we have some reservations concerning the Polinomics' auction as the means by which slots are initially allocated among carriers.

First, it is problematical whether the Polinomics-style initial auction will solve the problem of inadequate airport capacity, despite the fact that auction proceeds are to be used for this purpose. Frontier is convinced that the mere availability of auction proceeds will not accelerate or cause airport expansion which would otherwise not occur. This is the case because expansion decisions often turn as much on political, environmental and other considerations as on the availability of funds.

Moreover, the initial auction proposed by Polinomics will raise fares as carriers ultimately pass through the costs imposed by the auction to their passengers--an undesirable result absent certainty that auction proceeds will result in a corresponding benefit in the form of capacity expansion. In turn, higher fares may cause service reductions as the demand for air travel reacts to higher prices. During a period when fuel and other costs are rapidly escalating, it is imperative that a solution to the congestion problem not add artificial costs for air carriers and thereby contribute unnecessarily to an already inflationary environment.

For its part, Frontier vigorously supports a program for the expansion of airport facilities and stands ready to contribute its fair share of any necessary financing. However, an initial auction process does not guarantee that expansion will be forthcoming. Thus, an auction by itself may do little more than create a surplus of funds and unnecessarily inflict losses on air carriers and the flying public.

In summary, the initial auction proposed by Polinomics has serious drawbacks and may not represent the "best" initial allocation approach. An auction is not best for passengers if they must pay higher prices without the likelihood of receiving any corresponding benefits in return, such as shorter delays, better baggage delivery, more convenient connections, etc. To the extent profits are reduced as passengers are lost due to higher fares, it is not best for the carriers. And, these potential drawbacks are unnecessary to the achievement of an efficient allocation of airport slots. An auction is merely one of a number of alternatives which might be used to start the aftermarket process. It is the aftermarket, itself, that assures efficiency. Indeed, the irrelevance of the initial allocation of slots for the achievement of efficiency was recognized by the CAB staff in commenting on the Polinomics report: "Almost any allocation process will allow slots to ultimately be put to their most economical use if there is an effective aftermarket."[4] Thus, if a carrier holds a slot with which it expects to earn $300 in profit and another carrier values that slot at $500, it will be sold in a competitive aftermarket to the more efficient carrier regardless of how the slot was initially acquired. This outcome is assured because the exchange increases the profit of both carriers and the interests of passengers in the bargain.

With this in mind, we would like to suggest some noninflationary alternatives that avoid the shortcomings of a Polinomics-style initial auction:

ALTERNATIVES TO AN INITIAL SLOT AUCTION

A variety of techniques might be used to overcome the shortcomings of a slot auction without jeopardizing the efficiency inherent in a market approach. We present three possible alternatives: (a) distributing the initial allocation at a zero price, (2) allocation by administrative procedure, and (3) rebating auction proceeds or fees back to the industry. All of these alternatives would function in conjunction with an aftermarket. Frontier's purpose is not to advocate any approach as superior to the others. Indeed, because important issues of equity are involved, Frontier believes the ultimate choice of an initial allocation mechanism requires input from all sectors of the air transportation industry. It is our hope that these alternatives and the principles they embody will generate a useful public discussion from which an allocation mechanism might emerge that efficiently eliminates airport congestion without causing undue harm to the traveling public or to existing or new carriers.

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[4] "Alternative Methods of Allocating Airport Slots: Performance and Evaluation"; Staff Summary of Consultants Report, page 8.

Initial Distribution at a Zero Price - One of the most direct means of reducing the costs imposed by a Polinomics-type auction would be to distribute the initial allocation of slots at a zero price. This approach simply relieves the carriers of the necessity of making large expenditures when they acquire their initial slot allocation. Slots could be allocated in a slot lottery, as described by Polinomics. However, Frontier agrees that a lottery would entail unacceptable uncertainties and impose high transactions' costs and should, under no circumstances, be implemented.

A preferable approach in Frontier's view is to base each carrier's initial allocation on the number of slots operated at a specified time in the past. This approach, often described as grandfathering, is a common characteristic of much legislation and has, in fact, been used with market mechanisms. For example, under the Department of Energy's oil import quota plan, the right to import oil was distributed at a zero cost to initial holders and the quotas were made marketable, with some restrictions on the eligibility of market participants. An important legal attribute of the plan is that DOE plays no role in the determination of the price of import quotas--a characteristic that would apply if airport slots were grandfathered and exchanged in a competitive aftermarket.

Grandfathering is also a trait of recent advances in environmental policy. For example, the Environmental Protection Agency's "offset" program grandfathers the right to pollute to incumbent firms in specified geographic regions. A new entrant into the region may generate pollution only if it pays other polluters to "offset" its activities by reducing their pollution levels. Thus, the offset program, in effect, creates a crude market for pollution, and incumbent firms in the region are protected from the adverse consequences of an initial pollution rights auction by grandfathering.[5]

Frontier maintains that grandfathering offers a workable solution to the problem of initially allocating slots in a slot market and warrants serious consideration. Grandfathering would dramatically reduce the costs of a market approach to carriers, passengers, and regulatory agencies alike. It would eliminate the substantial payments required by an auction and the higher fares and reduced service they imply. Moreover, grandfathering is administratively less complicated--it provides a straightforward method for initial allocation.

5/ In fact, CAB Chairman Cohen recently suggested an "offset" approach as one means of controlling noise pollution at airports. See Deregulating Airport Access, presented by Marvin S. Cohen at the 1980 AOCI Economic Specialty Conference, San Diego, California, February 6, 1980, p. 10

Despite the unmistakable attributes and the existence of numerous precedents involving grandfathering, some have voiced opposition to distributing slots based on past carrier operations. In large measure, this opposition stems from the charge that such a policy generates "windfall profits" for carriers. Frontier disagrees. Carriers already possess the de facto right to use airport slots at a zero price. Grandfathering the initial allocation of slots will not increase the wealth of carriers. Rather, it will prevent the windfall losses that an auction would generate. Under a grandfathering approach, any money received by one carrier as slots are exchanged would necessarily be paid by another carrier. This form of initial allocation does not result in an inflow of funds to the industry. Thus, while an auction allocates capacity by inflicting undue losses on the industry, grandfathering accomplishes the same goal but leaves the "wealth" of carriers at roughly its initial level.

Grandfathering does enhance the property rights of carriers in one respect: while carriers have historically possessed the right to use airport slots, grandfathering does allow them to sell the slots they hold. However, far from a defect, this is a virtue of any strategy for allocating airport resources, because it is the exchangeability of slots within the aftermarket that allows them to flow to their most efficient use.

It has also been argued that grandfathering may result in market power for the incumbent carriers at a congested airport. However, Frontier believes this is a misconception that confuses grandfathering in the instant case with regulations that protect firms from entry and the forces of competition. An effective aftermarket would be designed to encourage, not impede, entry and allow more efficient carriers to replace less efficient ones. There is no reason to suspect that a properly-designed aftermarket would not be competitive. Ultimately, the prevention of monopoly profits at congested airports must rely on the implementation of an effective aftermarket and the timely expansion of capacity--not on the choice of one initial allocation mechanism or another.

Finally, one administrative problem that must be addressed under a grandfathering approach is how capacity will be initially allocated at airports that are not now capacity-constrained but will be in the next decade or so. If the initial allocation were based solely on past carrier operations, some of the capacity at these airports during periods that will eventually become congested would not be allocated to individual carriers because it is not currently in use. As a result, incentives may exist for carriers to commence inefficient operations in order to obtain grandfather rights. While Frontier does not have a specific formula for overcoming these incentives, we believe this problem is resolvable. One possibility would be for the CAB or FAA to allocate these slots among carriers now serving these airports or among those who are likely entrants in the near future. Whatever the allocative formula, it should be implemented as soon as possible to thwart any potential incentives for inefficiency.

Initial Allocation by Administrative Procedure - Another alternative is to establish the initial allocation through administrative procedures at the CAB or FAA. While this approach adds to the administrative costs of the program, it affords carriers a forum in which to interact and establish an acceptable formula for the initial allocation of slots. Like a grandfathering approach, initial allocation by administrative procedure mitigates the adverse consequences of expenditures in a slot auction by preventing these payments in the first place.

An example of a formula for initially allocating slots is provided by the FAA's recent proposal for runway slot allocations. The FAA's formula bases a carrier's allocation on grandfathering, as well as the number of passengers carried and the number of cities served. It should be emphasized that Frontier vigorously opposes the precise formula proposed by the FAA, which would severely discriminate against regional carriers serving smaller cities and shorter-haul routes. Moreover, the FAA proposal provides for no aftermarket, while Frontier regards an aftermarket as indispensible. Nevertheless, Frontier believes that administrative procedures to allocate slots initially combined with an effective aftermarket should also be considered as a possible market approach to relieve airport congestion.

Rebating Auction Proceeds - This final alternative to an initial auction is substantively different from those discussed above. While the previous alternatives operate by preventing expenditures for a carrier's initial allocation, another possibility is to implement a Polinomics-type auction and return the auction proceeds to the industry in a nondistortive fashion. The most important criteria for a rebate approach from the viewpoint of efficiency is that the rebates should not defeat the purpose of the aftermarket. Thus, auction proceeds cannot simply be returned to the individual carriers that paid them because this procedure would destroy incentives to reduce congestion efficiently.

Under a rebate approach, an initial auction and aftermarket would be implemented along the lines recommended by Polinomics. However, rather than having the auction proceeds accumulate and go unused, they would be returned to the industry--less any funds legitimately required for airport expansion--according to some prespecified formula. To the maximum extent possible, for each carrier such a formula should make the rebate received independent of the payments for slots it makes during the auction or aftermarket. For example, the basis for rebates might be determined by the distribution among carriers of total operations, passengers, load factors, or other measures of system activity.

Like any other method for overcoming the problem of airport congestion, rebates would admittedly pose questions of equity and no doubt be vigorously discussed and negotiated by interested parties. The stakes involved for the carriers and their passengers are immense, and Frontier is confident that, whether grandfathering, allocation by administrative procedures, rebates, or some other allocation method is under consideration, there is room for negotiation.

ALTERNATIVES TO ALLOCATION BY MARKET MECHANISM

Various alternatives to a market system exist which can be used to allocate capacity at those airports where demand exceeds capacity. Frontier firmly believes that each of these alternatives is unacceptable.

Open Skies - In effect, this "system" of allocation ignores capacity limitations and rations only after the fact by inconvenience and chaos. It has been argued that an open skies policy is the "free market" approach to relieving congestion. In fact, open skies is exactly the opposite. It does not rely on a pricing mechanism, which is the heart of the Polinomics' aftermarket. Rather, open skies rations airport capacity by causing inconvenience, delay, waste of energy resources, and other problems associated with congestion.

In short, the open skies principle is one of "first-come, first-served" employing the notion that when things finally get bad enough, carriers will ultimately shift operations away from highly congested peak periods. Frontier believes that an open skies policy conflicts with Congress' mandate to the Board that it develop and maintain a sound regulatory environment which is responsive to the needs of the public and in which decisions are reached promptly as well as the Administrator's charge to consider the control of the use of navigable airspace in the interest of efficiency. (40 USC 1302, 1303).

The principal problem of scheduling by inconvenience under open skies is that a variety of ills exist which are adverse to both the interests of the traveling public and the industry. Thus, carriers queuing up to land at or depart from an airport inevitably results in extreme passenger inconvenience in the form of delay, missed connections and uncertainty as to departure and arrival times. The system also causes a profligate waste of fuel while aircraft are placed in holding patterns awaiting an opportunity to land or standing in line on taxiways waiting for departure clearance.

These problems, furthermore, are not temporary and will not be resolved by the voluntary withdrawal of service by carriers who are fed up with the inconvenience and cost of delays. On the contrary, carriers will willingly continue to suffer a level of inconvenience and delay cost up to a point where such inconvenience and cost cancel out the value to be derived from their operations. Thus, they will "spend" the equivalent of the value of a slot, but the expenditure will be completely wasteful. In short, open skies simply guarantees that current capacity problems will be exacerbated.

The open skies approach also adversely affects the industry. The delays resulting from a first-come, first-served process cause far less than optimum utilization of equipment and crews, thereby decreasing productivity. Moreover, carrier scheduling is performed months in advance, and an open skies approach to capacity-limited airports renders the scheduling process less certain and more susceptible to unreliability.

Open skies also discriminates against carriers merely by virtue of their existing route systems. For example, Frontier's system is principally a short haul hub-and-spoke operation emanating from Denver. Inherent in this system is that an aircraft frequently traverses the Denver hub during the course of a day. Larger carriers flying longer haul linear routes transit a hub less often during the course of a day. Thus, while they encounter airport congestion, the nature of their route systems is such that they face the problem less frequently.

The Scheduling Committee - Polinomics states that the existing scheduling committee system used at the four airports where the FAA has established its High Density Traffic Airport Rule is "...as efficient, fair and effective as could be expected from a committee process operating under unanimity." Frontier does not disagree with this conclusion and submits that the committee system should continue to be used pending establishment, testing and implementation of a market system for slot allocation as we recommend here.

The committee system, however, has major drawbacks which do not justify its use indefinitely. Thus, as Polinomics notes, the very nature and composition of the committee system affords a forum in which anti-competitive agreements are possible. The fact that no such agreement has apparently occurred during the history of the system is fortuitous.

Unlike a market mechanism, allocation by committee is also entirely unrelated to a carrier's efficiency. Its guiding principle embraces a give-and-take bartering process where resolution of slot allocations are based more on a "fear of failure" to allocate the slots rather than putting slots to their most economical use. As such, there is significant pressure on carriers holding substantial numbers of slots to relinquish some slots merely to avoid the consequences of being unable to agree, i.e., some assignment system imposed by the FAA in which such carriers might lose an even greater number of slots. This means that committee decisions must be heavily influenced by potential consequences of committee default, and the end result is that entry is permitted entirely independent of the efficiency of the entering firm and, in many cases, at the expense of more efficient carriers.

Allocation by Assignment - The FAA has proposed a formula by which slots might be allocated administratively. However, in an industry as complex as the airlines, it is inconceivable that administrative allocation, alone, could efficiently distribute available capacity, unless such a proposal also provided for an aftermarket to correct the inevitable errors inherent in such a regulatory process. Administrative allocation without an aftermarket also would directly contradict the intent of Congress as expressed in the Deregulation Act. Rather than relying on the competitive marketplace, this alternative maximizes the role of government by creating a "slot Czar" which squarely injects the regulatory agency into its former role of carrier selection.

SUMMARY AND CONCLUSION

Airport capacity shortages which now exist and which will occur in the near future should not be ignored. The problem should be addressed now through federally-established capacity standards for all airports which have or are expected by the FAA to have serious capacity shortages over the next five years. When an airport reaches its established capacity standard, a locally-administered aftermarket should be employed in order to efficiently allocate the limited capacity among competing carriers. The aftermarket mechanism must be fashioned to insure that it does not discriminate against small community and short-haul services and properly accounts for different capacity-using characteristics among aircraft types. Moreover, Frontier believes that this marketplace system can be implemented within the framework of existing law.

Mr. FARY. Please proceed.

TESTIMONY OF WEBSTER B. TODD, JR., VICE PRESIDENT, PUBLIC AFFAIRS, FRONTIER AIRLINES, INC.

Mr. TODD. Thank you, Mr. Chairman.

We have submitted a rather detailed statement for the record and I certainly intend to do no more than summarize it, in view of the lateness of the hour, and the testimony you have already received today.

In Frontier's view, it is beyond argument that a finite limit exists as to the number of aircraft operations which can be accommodated at any airport during a specified period of time. That limit, as well as its causes, obviously varies from airport to airport, and genuine disagreement may exist as to what the precise limit is at a particular airport. Nevertheless, it cannot be seriously disputed that aircraft traffic demand at certain times of the day exceeds runway and airspace capacity at several airports and is severely straining or threatening capacity limits at others.

Moreover, the existing ease of entry by air carriers under the Deregulation Act of 1978 has put increased pressure on airport resources and will create a tendency for demand to outpace capacity at an even greater rate than has historically been the case.

The ideal solution to aircraft capacity limitations is to increase capacity to accommodate demand, and Frontier strongly urges that a clear national policy of enhancing airway and airport capacity be adopted in order to better enable capacity to keep abreast of demand. In the near term, however, it is abundantly clear that formulation, development and construction of physical and technological improvements necessary to accommodate demand, lags woefully behind both existing demand and likely demand growth in the future. Thus, until capacity is increased, there are two choices.

Airport and airspace congestion can be ignored or a method can be employed which efficiently allocates existing capacity among competing users. Ignoring this problem is, in our view, unacceptable.

Frontier believes that the traveling public and the industry would best be served by implementing (*a*) federally—established capacity standards for each airport which now have a serious airspace or capacity shortage and for each airport which the FAA expects will have shortages in the next 5 years, and (*b*) a locally administered market mechanism for the efficient allocation of limited airport capacity.

Dealing with the problem of airport access after demand exceeds capacity is just part of the problem. It does not address the question of whether capacity standards should be established for airports where demand does not now exceed capacity but which the FAA expects to suffer serious capacity shortages in the near future. We believe that in order to prevent public inconvenience, the FAA should establish capacity standards for each airport at which it anticipates such serious shortages.

Capacity standards must be defined at the Federal level to assure consistency among airports experiencing congestion problems. Once demand exceeds federally-established capacity standards, frontier recommends that a locally administered market mechanism be established, tested and used to allocate limited capacity. Regardless of the way in which limited capacity is initially allocated among competing carriers an after market permitting carriers to buy and sell slots among themselves affords an ideal solution for relieving congestion. An after market approach to this problem is a direct and efficient manner by causing the price of using a slot to reflect the external costs of congestion, an attribute that is shared by no other method proposed to relieve congestion.

Simply stated, the price of a slot is determined in the marketplace. As such, it is in harmony with Congress mandate to the CAB under the Deregulation Act to rely to the maximum extend possible on competitive market forces in performing its duties. Extreme care, however, must be exercised in formulating the mechanism. It must be particularly sensitive to small communities, short haul service, and capacity use characteristics among different aircraft types.

If, for example, a slot were simply defined as a takeoff or landing operation, serious biases would be generated against smaller aircraft and shorter haul markets resulting in an inefficient and unfair allocation.

It is also clear that the provision of essential air service under the Deregulation Act should receive a preference. In addition, the relative prices paid for slots on shorter haul and long haul routes should be adjusted so that the amounts ultimately paid for slots reflect the cost differentials of operating in these markets.

In summary, Frontier recommends federally-established capacity standards be determined for airports which the FAA expect will have to pass the shortages to during the next 5 years. When an airport reaches its established capacity standard, a locally-administered aftermarket system should be tested to allocate capacity when operational demand exceeds supply. The allocation mechanism should include an aftermarket permitting carriers to buy and sell slots among themselves and a method for initiating airport slots that does not cause undue harm to the traveling public.

The mechanism must provide for the service to small- and medium-sized communities and not discriminate on smaller aircraft for shorter haul routes and a commercial policy be established to eliminate the cost imposed by airport congestion.

Thank you, Mr. Chairman.

I will be delighted to answer any questions that you may have.

Mr. FARY. All right, Mr. Todd.

In your testimony you suggest that the Federal Government should establish capacity allocation standards. What would be included in these standards? Would you include numbers and types of aircraft, and types of markets?

Mr. TODD. Well, what we have suggested is that capacity be defined in terms of use. For example, if a runway minute of time is the capacity constraint the amount of time used by different types of aircraft, would carry with it a different cost.

Similarly, that there would be a weighting mechanism in short- and long-haul markets, simply because it is much more economic to spread the costs over a longer haul of a ticket than in a short-haul market. But we essentially look at it as quantifying the use of the scarce facility, and then allocating it by aircraft type as to the amount of use that is made.

Mr. **Fary**. How would the aftermarket sale be different than a scheduling committee, other than by money changing hands?

Mr. **Todd**. Well, it would be different from the scheduling committee system, in the fact that you would have a market established for the commodity. For example, the slots within a given time frame of a specific facility, could be handled by a commodity market in a blind computerized way so that slot would be offered for sale, and the price offered for that particular operational time would be run through a central clearinghouse, or a nonspecific computerized operation, rather than having a committee meet to decide among themselves in the whole as to who would get what. In this way, the marketplace truly decides the allocation.

Mr. **Fary**. How could people be assured that there was no collusion between airlines to set slot prices in order to keep others out of the market? Should the aftermarket sale be open or closed to the public?

Mr. **Todd**. Well, our thinking on that would be that—no one would know what slot was for sale, whose slot it was. If a carrier wanted to come in, they would seek to acquire a slot at an airport at a particular hour, and they would bid for it on what they felt it was worth to their system, and worth to the city at the other end that they were going to serve.

Mr. **Fary**. Can you describe your experiences at the Orange County Airport? Do you think this situation is a picture of the future for airlines wanting to get into new markets?

Mr. **Todd**. Well, Orange County is not a unique case, but it is a fairly distinct case, in the sense that you have two certificated carriers operating, and a number of carriers that wish to come in restricted by a set number of operations of 38 per day.

Frontier is one of the four carriers that has tried to get into Orange County for a number of years, and we now have authority to serve Orange County. We got it under the automatic entry provisions of the Deregulations Act.

Our point to the folks in Orange County is if they want set—a restriction on the number of operations that are conducted at their airport, we just want equal access to that restricted number.

The FAA is involved in this one, as far as discriminatory action is involved, we are in the process, as are the other carriers, of negotiating with the Orange County Commissioners and airport authorities, or to whether we will be able to resolve this, short of a legal test. We are not sure yet.

Mr. **Fary**. You state that you support capacity expansion at crowded airports. How willing do you think the larger certificated carriers are going to be to build commuter and general aviation runways and taxiways for capacity enhancing purposes?

Mr. **Todd**. Mr. Chairman, I believe that if a new major air carrier facility is what is in question, for example, the planning will reflect the needs that could be generated by commuter and general aviation users who have a need to be at that airport.

At existing airports there is a great deal that could be done in the way of facilities management, and new technology introduction, which will decrease the conflict, if you will, between the aircraft types, and thus increase the capacity.

As far as reliever airports are concerned, in looking at the ADAP legislation, both here and in the Senate, we believe that the amount of funds made available for reliever airports is significantly increased in both bills, and will be adequate to meet that need.

Mr. **Fary**. Counsel, do you have any questions, either of you?

Mr. **Filler**. No.

Mr. **Fary**. Then that will conclude the questions that I have, Mr. Todd.

Thank you very much for appearing here today, and thank you for waiting so long. After all, we cannot be first, second and third. Also, the floor interruption of votes, it took longer. My humble apology to you.

Thank you very much.

Mr. **Todd**. Mr. Chairman, thank you for your patience. In the many years that I have had the opportunity to appear before this committee, the seriousness in which you take your work, makes the wait worthwhile.

Mr. **Fary**. Thank you very much.

The subcommittee will stand adjourned subject to the call of the Chair.

[Whereupon, at 4:15 p.m., the subcommittee adjourned, subject to the call of the Chair.]

ADDITIONS TO THE RECORD

TESTIMONY OF MR. MINOR CATO
MIAMI, FLORIDA
BEFORE THE FAA SUBCOMMITTEE
APRIL 3, 1980

Mr. Chairman and Subcommittee
Members:

My name is Minor Cato. I have been an employee of Eastern Airlines as a skycap for 10 years at the Miami International Airport, Miami Florida. Since the publication in the Federal Register of the Proposed Rules and Regulations for Section 30, January, 1977, I have made several attempts with the airport administration to become a minority entrepreneur at the airport as a skycap contractor, as a concessionaire as a contractor for many other services provided by the airlines and the airport in the conduct of airport business.

I am both qualified and capable of operating a small business at the Miami International Airport. Further, I have the financial assets to capitalize a business undertaking. However, since January, 1977 the airport administration, past and present, has made no significant effort nor provided any encouragement or assistance in helping me to achieve my goal as the owner of a business at the airport.

Immediately after the publication of the Section 30 proposed rules and regulations, I met with Mr. Morgan, the former Deputy Airport Administrator and personally supplied him with a copy to review. Subsequently, at another meeting he presented me with the following analogy: "Its just like having a reserved box with eight seats at the world series. I have already given all tickets away and you want a seat. I have no room for you." However, each year, using his analogy, he has the same eight seats he has to identify bodies for and each year he passes out the seats overlooking one knowing full-well I wish to be seated. In other words, their is no moral obligation or concerns at the Miami International Airport to successfully implement the provisions of Section 30. Since the enactment of the 1976 ADAP amendments, including Section 30, Public Law 94-353 the Miami International Airport has been a recipient of Federal funds for airport improvements. Since 1976, after the enactment of Public Law 94-353, the Miami International Airport has openly and blatantly ignored the congressional intent of Section 30. Further, in my judgement their action is in violation of the provision of Title VI, 1964 Civil Rights Act.

In my judgement, the final rules and regulations published in the Federal Register, February 14, 1980 comprehensively addresses Title VII, 1964 Civil Rights Act as it relates to Section 30. However, part 152.419, Minority Business is referred to the Minority Business Enterprise Regulations of the Department. To my knowledge, these final rules and regulations have not been published in the Federal Register. In effect, FAA still has no affirmative action plan for minority business participation at our nation's airports. Three years have passed since the publication of the Section 30 proposed rules and regulations. How much longer must the Minority Business community wait? It seems to me that the overt lowlessness of FAA failure to comply with congressional intent of Section 30 should be abruptly halted by whatever sanctions this subcommittee can cause to be imposed.

The 1980 ADAP amendments should include clear and concise language regarding the full implementation of Section 30 and more specifically the implementation of part 152.419, Minority Business. Additionally, it should ensure that our nation's airports and FAA are provided with sufficient Federal funds to provide the resources, both human and financial, to successfully accomplish the congressional intent of Section 30, Airport and Airway Development Act amendments of 1976.

I hope that you as members of the United States House of Representatives do not take this matter lightly. What minorities hope for most is that your actions will force FAA to abide by the law.

I thank you.

JOHN J. CAVANAUGH
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Washington, D.C. [illegible]
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Congress of the United States
House of Representatives
Washington, D.C. 20515

COMMITTEE:
BANKING, FINANCE AND
URBAN AFFAIRS
SUBCOMMITTEES:
FINANCIAL INSTITUTIONS
SUPERVISION, REGULATION AND
INSURANCE
INTERNATIONAL TRADE,
INVESTMENT AND MONETARY
POLICY
INTERNATIONAL DEVELOPMENT
INSTITUTIONS AND FINANCE
DOMESTIC MONETARY POLICY
POST OFFICE AND CIVIL SERVICE
SUBCOMMITTEE:
INVESTIGATIONS

March 20, 1980

Hon. Glenn M. Anderson, Chairman
Subcommittee on Aviation
2251 Rayburn House Office Building

Dear Chairman Anderson:

Although I will not be participating in the current hearings on H.R. 6721, the Airport and Airways Improvement Act of 1980, I would like to bring to your attention the views of the Omaha Airport Authority regarding this legislation.

On September 13, 1979 Mr. Ronald B. Grear, Executive Director of the Omaha Airport Authority, testified before the Senate Aviation Subcommittee regarding S. 1648, the Airport and Airway System Development Act of 1979. I have read Mr. Grear's testimony in favor of "defederalizing" funding of the nation's airports and I am submitting 75 copies of his testimony for inclusion in your hearing records.

I fully support S. 1648 as passed by the Senate and would hope that the House Aviation Subcommittee addresses the defederalization issue during its hearings. Many of the complaints that local airport authorities have concerning S. 1648 stem not from a careful study of the issues involved, but from a general fear of change. It is significant that the Airport Authority of Omaha, which would lose federal funds under S. 1648, went on record as favoring this legislation.

Sincerely yours,

JOHN J. CAVANAUGH
Member of Congress

JJC:eel
Enclosures

cc: Senator J. James Exon

TESTIMONY OF
RONALD B. GREAR, EXECUTIVE DIRECTOR
OMAHA AIRPORT AUTHORITY
ON THE
AIRPORT AND AIRWAY SYSTEM DEVELOPMENT ACT OF 1979
BEFORE THE
AVIATION SUBCOMMITTEE OF THE
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
U.S. SENATE

September 13, 1979

My name is Ronald B. Grear, I am Executive Director of the Omaha Airport Authority. I appreciate the opportunity to testify on Senate Bill S. 1648 which, we believe, will produce substantial benefits to Omaha and other cities of the country.

The Omaha Airport Authority was created in 1959 as an independent agency of the City of Omaha. The Authority's responsibilities include the provision, operation and maintenance of adequate airport facilities for the City of Omaha. Pursuant to state law, we have no taxing power.

For twenty years, therefore, we have operated on a self-supporting basis, excepting the construction grant funds from the Federal Aviation Administration and a modest grant program from the Nebraska Department of Aeronautics. We believe the time has come when Omaha and other airports like Omaha can and should be fully self-supporting. We believe also that Senate Bill S. 1648 can become the vehicle to accomplish this goal. Not only can we do without grants, we can do a better job without them.

We believe this bill will produce very substantial benefits. It will produce large savings to passengers. It will significantly increase the ability of airports to obtain the capital funds necessary to build the facilities required to accommodate the current air travel boom. By eliminating red tape, airport improvements can be built faster and cheaper with no sacrifice in quality.

The first major benefit is the substantial savings for airline passengers. The benefits can be shown by what will happen in Omaha. During the period from 1971 through 1978, Omaha received federal grant funds that averaged $1,300,000 per year. Currently, our entitlement funds amount to approximately $1,500,000 annually. In contrast, we estimate that the 8% ticket tax will cost Omaha passengers approximately $5,700,000 in 1979. If the ticket tax were reduced to 2%, only $1,400,000 would be collected and $4,300,000 would remain in the pockets of the Omaha passengers.

Of course, the Authority would expect to increase fees charged to airport users, primarily airlines, to obtain capital funds no longer available from federal grants. This in turn could cause the airlines to raise fares. But assuming our capital need would remain at $1.5 million annually and our fees were increased accordingly to offset the lost grant funds, there would be potential annual savings to Omaha passengers of $2,800,000.

Secondly, although the bill ostensibly reduces capital funds available to airports, the actual effect will be just the opposite. This is a significant though perhaps unintended benefit.

The ability of an airport to raise capital funds depends on its earnings. Under the present law, the $1.5 million in funds obtained by Omaha from Federal grants are not counted as earnings in raising capital, because they are dependent on Federal allocations. However, when we raise this $1.5 million by increasing fees, our earned income is increased by the same amount. Our investment bankers estimate that Omaha's revenue bond capacity would be increased by $14,300,000 -- an increase of 90%. If this were projected for the entire industry, it would provide a shot in the arm which would go a long way towards providing the capital funds necessary to build the facilities required to accommodate the current air travel boom.

Thirdly, we can save time and money by the elimination of FAA approval at various stages of planning, design and construction. Safety and construction standards are established by the FAA through regulations and advisory circulars. We would continue to meet those standards. However, there is simply no need for the FAA to duplicate the engineering functions of the airport to assure that those standards are met.

The elimination of time consuming and expensive duplication occasioned by Federal approvals will enable us to complete airport improvements more quickly and more efficiently. In these days of rapidly escalating construction costs, time saved is money saved. With wages, material costs, and interest rates steadily increasing, time lost through unnecessary Federal involvement means that the airport must incur higher costs during construction.

In summary, the net effect of this bill in Omaha will be:

(1) No loss of revenue to the Omaha Airport Authority.

(2) No loss of revenue to the airlines serving Omaha.

(3) A net savings to Omaha passengers of $2,800,000.

(4) A substantial increase in borrowing power for the Omaha Airport Authority.

(5) Reduced costs of capital improvements because of the elimination of time consuming and unnecessary federal involvement.

We do have one problem with the bill as drafted. It unnecessarily continues obligations and assurances stemming from past agreements, even for those airports which no longer receive Federal funds. Those airports should be released from those obligations.

When Senator Cannon introduced S. 1648 on August 2, 1979, his introductory remarks included the prospect that enactment would eliminate the cost of the middleman (the Federal Government). He also mentioned that acceptance of Federal funds burdened the recipient with a mountain of red tape, bureaucratic requirements, and Federal Government meddling. Eliminating that cost and being relieved of that burden are strong inducements, of themselves, to giving up Federal airport aid.

It is extremely important that a clean and complete break be made. The obligations and assurances stemming from past agreements must be withdrawn altogether. Unfortunately, the bill falls short of that mark. It provides that "the Secretary shall issue criteria and requirements pursuant to which the sponsors of airports . . . may, at their option, terminate any existing assurances, requirements, or contractual obligations . . ." It also provides for continuation of other assurances in Sec. 23 para (c)(3). We strongly urge that the bill itself include language to terminate all assurances, requirements and obligations.

One of these obligations is of particular importance. It provides that no part of a Federal grant shall be included in the rate base in establishing fees for users of an airport. With the passage of the bill eliminating grants for larger airports, there is no reason to bar recovery by airports of depreciation on assets purchased with past grant funds. Money to replace these assets when they are worn out must be accummulated, and there is no better way than recovery of depreciation charges. This would also be an effective method to replace a substantial portion of the grant funds to be lost.

Thank you for the opportunity of presenting testimony. We think the bill represents a positive milestone in the development of airport legislation.

KIKA DE LA GARZA
15TH DISTRICT, TEXAS

Congress of the United States
House of Representatives
Washington, D.C. 20515

Statement By
E (Kika) de la Garza, M C
before the
Subcommittee on Aviation
of the
Committee on Public Works and Transportation

18 March 1980

Mr Chairman

I am here today in behalf of an area known as the Lower Rio Grande Valley of Texas -- a rather deceptive name because it encompasses a series of cities ranging from the city of Brownsville with over 80,000 population through Harlingen with approximately 60,000 population and into McAllen with about 70,000. In between are a series of small cities and to the south are major metropolitan areas in the Republic of Mexico -- Matamoros with close to 1 million population and west to Reynosa with more than ½ million population.

The problem down there is the airways. There is no radar covering the airports other than a high level radar system from Houston more than 325 miles to the north. In the area I briefly described above there are three airports. All of them are capable of handling 727's. Brownsville, Harlingen, McAllen each have their own airports, each receives scheduled flights. All of them handle international traffic.

The problem is that they cannot generate enough activity to qualify each airport for a radar system. Combined aircraft movements are enormous, as you can see from the attached chart which was compiled by the Harlingen Area Chamber of Commerce.

I would like to point out that this activity is at the three commercial airports in south Texas. It does not take into consideration the commercial and private operations at the Reynosa and the Matamoros airports and the fifteen other private airstrips within this geographic limitation.

(continued)

Military installations to the north and west use the airways extensively. The point I am trying to make is that we face a potential hazard in the loss of lives. I can expand on this rather copiously.

In that area there is extensive drug traffic. A whole lot of it is done by air. Much of it comes in by air from Mexico and unless the Customs planes are alerted to the presence of northbound aircraft, they can enter and land at some little unmarked airport whence the dope is distributed.

I realize we are in a money crunch, but this problem is existing in an area that has two of the fastest growing Standard Metropolitant Statistical Areas in America. The Brownsville - San Benito - Harlingen SMSA is expanding at an astonishing rate. It is the second or third fastest growing in the nation. There is no way the local people can keep up with this nor is there any way they can handle the radar problem.

Therefore, I urge you to carefully look into the feasibility of establishing an airport surveillance radar system at some place like La Feria, Texas, with its projectories going into Brownsville, Harlingen and McAllen. This is the only way we can adequately cope with the situation.

Certainly the FAA is abundantly aware of the problem, but the agency must, understandably, stay locked into the fact that the area does not meet the criteria contained in their Airway Planning Standards for establishment of ASR. Every now and then we have to bend the criteria because when they were established there was not a situation such as that which exists in the Lower Rio Grande Valley today.

Certainly I beg your humble endorsement and I will appreciate the Committee's careful and close consideration of this request.

# # #

LOWER RIO GRANDE VALLEY OF TEXAS
AIRCRAFT MOVEMENTS

		1976	1977	1978	1979	PERCENTAGES 76 - 79
AIR CARRIER:						
McAllen		3,756	3,689	3,948	3,950	
Harlingen		6,219	7,550	7,264	7,825	
Brownsville		2,802	3,453	5,448	6,077	
	Sub-Totals	12,777	14,692	16,660	17,852	40%
AIR TAXI:						
McAllen		644	1,072	3,349	4,856	
Harlingen		79	411	2,166	2,301	
Brownsville		39	25	490	1,909	
	Sub-Totals	762	1,508	6,005	9,066	1,090%
GENERAL AVIATION:						
McAllen		39,712	38,400	43,092	51,184	
Harlingen		25,229	26,872	26,699	27,878	
Brownsville		33,316	33,604	34,544	49,308	
	Sub-Totals	98,257	98,876	104,335	128,370	31%
MILITARY:						
McAllen		439	434	771	1,414	
Harlingen		1,259	1,005	1,195	1,537	
Brownsville		976	638	1,446	2,032	
	Sub-Totals	2,674	2,077	3,412	4,983	86%
TOTAL ITINERANT:						
McAllen		44,551	43,595	51,160	61,404	
Harlingen		32,786	35,838	37,324	39,541	
Brownsville		37,133	37,720	41,928	59,326	
	Sub-Totals	114,470	117,153	130,412	160,271	40%
TOTAL LOCAL:						
McAllen		19,754	20,628	25,696	29,656	
Harlingen		19,210	19,060	18,478	20,221	
Brownsville		9,485	8,971	8,713	26,324	
	Sub-Totals	48,449	48,659	52,887	76,201	57%
TOTAL OPERATIONS:						
McAllen		64,305	64,223	76,856	91,070	42%
Harlingen		51,996	54,898	55,802	59,762	15%
Brownsville		46,618	46,691	50,641	85,650	84%
	Sub-Totals	162,919	165,812	183,299	236,482	45%

SOURCE: Harlingen/McAllen/Brownsville FAA Towers

Compiled by: Harlingen Area Chamber of Commerce, Inc.
January 7, 1980

Note: Valley Air Traffic (3 Commercial Airports within 35 miles of Harlingen) showed a 29% increase from cy 1978 to cy 1979.

HARLINGEN INDUSTRIAL AIRPARK/MUNICIPAL AIRPORT
AIRCRAFT MOVEMENTS

	ITINERANT										LOCAL			
	AC		AT		GA		MI		TOTAL		TOTAL		TOTAL OPERATIONS	
1979	Month	To Date	Month	To Date	Month	To Date	Month	To Date	Month	To Date	Month	To Date	MONTH	TO DATE
January	652	652	209	209	1581	1581	108	108	2550	2550	884	884	3434	3434
February	574	1226	173	382	1531	3112	103	211	2381	4931	1098	1982	3479	6913
March	668	1894	250	632	2323	5435	164	375	3405	8336	1380	3362	4785	11698
April	632	2526	194	826	2036	7471	122	497	2984	11320	1422	4784	4406	16104
May	741	3267	151	977	2396	9867	118	615	3406	14726	2070	6854	5484	21588
June	631	3898	138	1115	2188	12055	86	701	3043	17769	1838	8692	4881	26469
July	637	4535	154	1269	2511	14566	143	844	3445	21214	2416	11108	5861	32330
August	652	5187	166	1435	2340	16906	114	958	3272	24486	1650	12758	4922	37252
September	665	5852	180	1615	2311	19217	121	1079	3277	27763	1572	14330	4849	42101
October	706	6558	250	1865	4357	23574	157	1236	5470	33233	2628	16958	8098	50199
November	609	7167	221	2086	2308	25882	186	1422	3324	36557	1796	18754	5120	55311
December	658	7825	215	2301	1996	27878	115	1537	2984	39541	1459	20221	4443	59762

1980

January														
February														
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McALLEN MUNICIPAL AIRPORT
AIRCRAFT MOVEMENTS

1979	ITINERANT										LOCAL		TOTAL OPERATIONS	
	AC		AT		GA		MI		TOTAL		TOTAL			
	Month	To Date	Month	To Date	Month	To Date	Month	To Date	Month	To Date	Month	To Date	MONTH	TO DATE
January	330	330	399	399	3478	3478	98	98	4305	4305	1879	1879	6184	6184
February	297	627	377	776	3824	7302	75	173	4573	8878	2184	4063	6757	12941
March	321	948	459	1235	4379	11681	186	359	5345	14223	2341	6404	7686	20627
April	321	1269	421	1656	3885	15566	116	475	4743	18966	2241	8645	6984	27611
May	836	1605	373	2029	4024	19590	97	572	4830	23796	2104	10749	6934	34545
June	325	1930	355	2384	4002	23592	74	646	4756	28552	2294	13043	7050	41595
July	340	2270	386	2770	4205	27797	171	817	5102	33654	3424	16467	8526	50121
August	328	2598	371	3141	4975	32772	74	891	5748	39402	2952	19419	8700	58821
September	308	2906	385	3526	4944	37716	83	974	5720	45122	2866	22285	8596	67417
October	326	3232	477	4003	5204	42920	114	1038	6121	51243	3328	25613	9449	76866
November	332	3564	453	4456	4325	47245	209	1237	5319	56562	2147	27760	7466	84332
December	386	3950	400	4856	3939	51184	117	1414	4842	61404	1896	29656	6738	91070

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BROWNSVILLE MUNICIPAL AIRPORT
AIRCRAFT MOVEMENTS

1979	ITINERANT										LOCAL			
	AC		AT		GA		MI		TOTAL		TOTAL		TOTAL OPERATIONS	
	Month	To Date	Month	To Date	Month	To Date	Month	To Date	Month	To Date	Month	To Date	MONTH	TO DATE
January	416	416	90	90	2758	2758	156	2758	3420	3420	488	488	3908	3908
February	395	811	85	175	2928	5686	95	251	3503	6923	830	1318	4333	8241
March	467	1278	159	334	3834	9520	239	490	4699	11622	1332	2650	6031	14272
April	483	1761	138	472	3995	13515	165	655	4781	16403	3156	5806	7937	22209
May	481	2242	134	606	4370	17885	158	813	5143	21546	2514	8320	7657	29866
June	415	2657	129	735	4554	22439	121	936	5221	26767	2514	10834	7735	37601
July	547	3204	129	864	4833	27272	139	1075	5648	32415	2688	13522	8336	45937
August	607	3811	163	1027	5121	32393	177	1252	6068	38483	2490	16012	8558	54495
September	571	4382	176	1203	3943	36336	162	1414	4852	43335	3070	19082	7922	62417
October	584	4966	234	1437	4824	41160	197	1611	5839	49174	2564	21646	8403	70820
November	556	5522	222	1659	4657	45817	316	1927	5751	54925	3124	24770	8875	79695
December	555	6077	250	1909	3491	49308	105	2032	4401	59326	1554	26324	5955	85650

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STATEMENT BY CONGRESSMAN CEC HEFTEL

As a member of America's flying public who travels over 250,000 air miles a year and as a member of the Ways and Means Oversight Subcommittee which has held several hearings on airport safety, I am pleased to be here to testify on the Airport and Airways Trust Fund.

In light of the impending expiration of the trust fund in June this year, it is appropriate that we carefully scrutinize past usage of the trust fund monies to determine whether they have been adequately meeting airport needs. I am confident that Congressional reauthorization of the fund this year will assure more efficient implementation of trust monies.

As you know, for the past ten years, America's airline passengers have been contributing to the Airport Trust Fund by paying an 8% tax on their airline tickets, and these revenues were to be targeted for safety equipment at airports. I find it highly disconcerting that, at the end of this year, there will be almost a $4 billion surplus in trust fund monies!

Perhaps if all our airports were equipped with safety features that assured the highest degree of safety, there would be a justification for this excess. As we are aware, however, this is not the case. The number of accidents and the high incidence of near misses in the past year must to some degree be attributed to inadequate safety facilities and equipment at airports.

There is evidence that the highest risk for air travel occurs during an airplane's approach and landing. It is obvious that an effective means to reducing this risk would be to increase and improve the navigational aids at airports. This is where we should be targeting expenses--our airports need improved visual aids such as VASIs(Visual Approach Slope Indicators) and lighting systems, and better precision landing aids. It is unconscionable that nearly $4 billion can be sitting in the trust fund when near misses are occurring as a result of inadequate or lacking safety facilities and equipment.

I wholeheartedly support the Oversight Subcommittee's recommendation that the minimum authorization for the Facilities and Equipment account of the trust fund should be $550 million for FY 1981, which is $200 million above the Administration's budget request. In a recent hearing, FAA Administrator Langhorn Bond indicated that the FAA could effectively utilize an additional $1 billion for Facilities and Equipment safety items over the next five years. There is no question that these funds could be put to good use and to provide a higher level of air safety for our nation's airline passengers.

Airports served by commuter airlines are especially ill equipped to maximize safety for their passengers. Of the 752 airports serving commuters, only 42% have an air traffic control tower in place; 53% have radar approach controls; 50% have a partial or full instrument landing system; 50% have runway end identification lights; and 66% have visual approach slope indicators(VASIs). This is indeed a sorry record. The number of persons using commuter air service has been steadily increasing since the airlines were deregulated and it is imperative that we move quickly to provide these passengers with maximum safety.

Until we are certain that all of our nation's airports have adequate safety precautions to minimize air travel risks, I do not feel that we should cease efforts to get the FAA to spend more money on safety features. For ten years America's flying public has been contributing to the trust fund to provide for their own safety---they should be getting increased safety in return. Thank you.

STATEMENT BY

JAMES B. KING, CHAIRMAN

NATIONAL TRANSPORTATION SAFETY BOARD

BEFORE THE

SUBCOMMITTEE ON AVIATION

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

HOUSE OF REPRESENTATIVES

REGARDING H.R. 6721

THE AIRPORT AND AIRWAY IMPROVEMENT ACT OF 1980

MR. CHAIRMAN, I AM PLEASED TO HAVE THE OPPORTUNITY TO COMMENT ON BEHALF OF THE NATIONAL TRANSPORTATION SAFETY BOARD ON H.R. 6721, THE "AIRPORT AND AIRWAY IMPROVEMENT ACT OF 1980." THE SAFETY BOARD HAS HAD A LONG-TERM INTEREST IN SAFETY IMPROVEMENTS OF AIRPORT AND AIRWAYS ASSISTANCE PROGRAMS, AND HAS EXPRESSED ITS CONCERNS IN THIS REGARD BEFORE THIS SUBCOMMITTEE ON MANY PREVIOUS OCCASIONS.

OVER THE LAST 10 YEARS, OVER $7 BILLION HAS BEEN EXPENDED THROUGH THE ADAP PROGRAM FOR AIRPORT DEVELOPMENT, SAFETY AND NAVIGATION AIDS AND RELATED RESEARCH AND DEVELOPMENT. OVER THE NEXT FIVE YEARS, WE WILL NEED TO SEE FURTHER DEVELOPMENT IN ORDER TO INSURE THAT OUR AIRPORT SYSTEM IS

SAFE AND ABLE TO ACCOMMODATE THE PROJECTED INCREASE IN TRAFFIC PROJECTS FOR BOTH CERTIFICATED CARRIER ENPLANEMENTS (73 PERCENT), AND FOR COMMUTER AIRLINE ENPLANEMENTS (89 PERCENT).

OUR TESTIMONY TODAY, AS WELL AS OUR TESTIMONY IN THE PAST, ADDRESSES ONLY THE SAFETY-RELATED ASPECTS OF THE ADAP PROGRAM. THE SAFETY BOARD RECOGNIZES THAT THERE ARE MANY OTHER IMPORTANT ISSUES RAISED BY H.R. 6721; HOWEVER, OUR STATUTORY MANDATE IS CONFINED TO SAFETY, THEREFORE OUR COMMENTS WILL BE SO RESTRICTED.

A REVIEW OF THE PROVISIONS OF H.R. 6721 SHOWS THAT MANY OF OUR EXPRESSED CONCERNS HAVE BEEN ADDRESSED IN THIS

IMPORTANT LEGISLATION REGARDING MATTERS SUCH AS HIGHER FUNDING LEVELS FOR THE FACILITIES AND EQUIPMENT PROGRAM, THE RESEARCH, ENGINEERING AND DEVELOPMENT PROGRAM AND THE AIRPORT DEVELOPMENT PROGRAM. HIGHER FUNDING LEVELS FOR THE F&E PROGRAM SHOULD FACILITATE THE ACQUISITION AND ESTABLISHMENT OF RADAR, NAVIGATIONAL AIDS AND PRECISION APPROACH LANDING SYSTEMS. IMPROVED FUNDING FOR THE R&D PROGRAM SHOULD PROVIDE NEEDED ASSISTANCE TOWARD THE DEVELOPMENT OF THE ADVANCED SYSTEMS AND TECHNOLOGY WHICH WILL BE REQUIRED FOR SAFE AND EFFICIENT AIR TRANSPORTATION IN THE FUTURE. FINALLY, ADDITIONAL FUNDING FOR THE AIRPORT DEVELOPMENT PROGRAM WILL AFFORD AIRPORT SPONSORS THE CAPABILITY TO EQUIP THEIR AIRPORTS WITH NEEDED HARDWARE AND SOFTWARE TO HELP ENSURE THE SAFETY OF FLIGHT OPERATIONS.

THE SAFETY BOARD HAS FOR A NUMBER OF YEARS URGED THE MODERNIZATION AND IMPROVEMENT OF THE AIRPORT AND AIRWAY SYSTEM. A RECENT STUDY DONE BY THE BOARD OUTLINES THIS CONTINUED NEED. THE BOARD IDENTIFIED 706 AIRPORTS WHICH RECEIVE SCHEDULED PASSENGER SERVICE FROM EITHER COMMUTER OR MAJOR CERTIFICATED AIR CARRIERS. OF THESE 706 AIRPORTS, 300 ARE NOT EQUIPPED WITH PRECISION APPROACH LANDING SYSTEMS AND 188 ARE LACKING A VISUAL APPROACH SLOPE INDICATOR. THE ADDITION OF THIS EQUIPMENT WOULD MODERNIZE, IMPROVE AND ENHANCE THE SAFETY OF THE AIRPORT AND AIRWAY SYSTEM.

DURING TWO RECENT APPEARANCES BEFORE CONGRESS, THE SAFETY BOARD SUMMARIZED SEVERAL AREAS WHERE WE FELT EXPENDITURES

FROM ADAP WOULD ENHANCE AVIATION SAFETY. THE BOARD'S RECOMMENDATIONS FOR PROJECTS WHICH SHOULD RECEIVE ADAP FUNDING ARE DRAWN FROM BOTH THE BOARD'S BROAD ACCIDENT INVESTIGATION HISTORY AND OUR RECENT EN BANC HEARING ON COMMUTER SAFETY. WE WOULD LIKE TO BRIEFLY REITERATE THESE RECOMMENDATIONS CITING SPECIFIC INVESTIGATIONS, WHERE POSSIBLE, IN ORDER TO PROVIDE APPROPRIATE EXAMPLES.

1) RELIEVER AIRPORTS

THE SAFETY BOARD SUPPORTS THE USE OF ADAP FUNDS FOR THE DEVELOPMENT AND IMPROVEMENT OF RELIEVER AIRPORTS. THE NEED FOR THE DEVELOPMENT OF RELIEVER AIRPORTS, INCLUDING THE INSTALLATION OF FACILITIES FOR ALL WEATHER OPERATION, WAS HIGHLIGHTED BY THE SAFETY BOARD'S INVESTIGATION OF THE MIDAIR COLLISION OVER SAN DIEGO ON SEPTEMBER 25, 1978.

2) INSTALLATION, OPERATION OF NAVAIDS

FULL ILS'S, WITH GLIDE SLOPE AND LOCALIZER, SHOULD BE INSTALLED BY THE USE OF ADAP FUNDS AT ALL AIR CARRIER AND COMMUTER AIRPORTS. MANY AIRPORTS WHICH PROVIDE AIR CARRIER AND COMMUTER SERVICE LACK ADEQUATE NAVAIDS. ONLY 33% OF THE AIRPORTS USED EXCLUSIVELY BY COMMUTERS AND GENERAL AVIATION AIRCRAFT HAVE A PRECISION APPROACH.

3) RUNWAY GROOVING

WE SUPPORT THE USE OF ADAP FUNDS TO PROVIDE AT LEAST ONE GROOVED RUNWAY AT ALL AIR CARRIER AIRPORTS. THE GROOVED RUNWAY SHOULD BE THE ILS EQUIPPED RUNWAY.

4) AUTOMATIC WEATHER-REPORTING EQUIPMENT

WE BELIEVE ADAP FUNDS SHOULD BE USED TO PROVIDE AUTOMATIC WEATHER-REPORTING EQUIPMENT AT AIRPORTS WHERE NO OBSERVING FACILITIES EXIST, AND WHERE REAL-TIME WEATHER INFORMATION IS NEEDED AROUND THE CLOCK. PRESENTLY, THERE ARE ABOUT 1700 AIRPORTS WITH PRECISION INSTRUMENT APPROACHES, AND 700 OF THESE AIRPORTS HAVE NO WEATHER REPORTING SERVICE. SAFETY BOARD INVESTIGATIONS INDICATE THAT, IN INSTRUMENT METEOROLOGICAL CONDITIONS, MOST GENERAL AVIATION ACCIDENTS OCCUR AS A RESULT

OF UNFAVORABLE WIND CONDITIONS AT LOCATIONS WHERE NO WIND INFORMATION IS AVAILABLE.

5) FIRE AND RESCUE EQUIPMENT

ADAP FUNDS SHOULD BE USED TO PROVIDE THE NECESSARY MEANS FOR ADEQUATE FIRE AND RESCUE EQUIPMENT, TO THE MAXIMUM EXTENT FEASIBLE, AT ALL COMMUTER AIRPORTS. MINIMUM EQUIPMENT AND EMERGENCY PLANS SHOULD BE PROVIDED FOR COMMUTER AIRPORTS AS I THE CASE FOR AIR CARRIER AIRPORTS (FAR PART 139). THE PRINAIR AIRCRAFT ACCIDENT INVESTIGATION AT ST. CROIX, VIRGIN ISLANDS, ON JULY 24, 1979, HIGHLIGHTED THE NEED FOR ADEQUATE FIRE AND RESCUE EQUIPMENT AT SMALL, COMMUTER SERVED AIRPORTS.

6) FRANGIBLE LIGHT TOWERS ON APPROACH LIGHTING SYSTEMS

ADAP FUNDS SHOULD BE USED TO RETROFIT NON-FRANGIBLE APPROACH LIGHTS WITH FRANGIBLE TOWERS AND INSTALL NEW FRANGIBLE LIGHT TOWERS WHEREVER POSSIBLE. THE EASTERN AIRLINES B-727 AIRCRAFT ACCIDENT INVESTIGATION ON JUNE 24, 1975, REVEALED THAT THE NON-FRANGIBLE 20-FOOT HIGH APPRAOCH LIGHT STANCHEONS ON RUNWAY 22L AT KENNEDY INTERNATIONAL AIRPORT, NEW YORK, WERE THE FIRST GROUND STRUCTURES HIT BY THE AIRCRAFT. THESE STRUCTURES CAUSED SUFFICIENT AERODYNAMIC DAMAGE TO PRECLUDE FURTHER FLIGHT.

7) VISUAL APPROACH SLOPE INDICATORS (VASI)

ADAP FUNDS SHOULD BE USED TO EXPEDITE THE INSTALLATION OF VASI's AT ALL AIRPORTS WHERE THERE IS A PUBLISHED

INSTRUMENT APPROACH. AS OF SEPTEMBER 30, 1979, 731 VASI'S HAD BEEN COMMISSIONED FOR OPERATION. IT HAS BEEN PROJECTED THAT 1,500 VASI'S WILL BE INSTALLED BY 1986.

8) WIND-SHEAR EQUIPMENT

ADAP FUNDS SHOULD BE USED TO EXPEDITE THE INSTALLATION OF WIND-SHEAR EQUIPMENT AT ALL CONTROLLED AIRPORTS. THE INVESTIGATIONS OF THE IBERIA AIRLINES DC-10 ACCIDENT AT LOGAN INTERNATIONAL AIRPORT, BOSTON, MASSACHUSETTS, ON DECEMBER 17, 1973, AND THE EASTERN AIRLINES B-727 ACCIDENT AT KENNEDY INTERNATIONAL AIRPORT, NEW YORK, ON JUNE 24, 1975, INDICATED A NEED TO PROVIDE PILOTS OF ARRIVING AND DEPARTING AIRCRAFT WITH WIND-SHEAR INFORMATION. PROJECTED PLANS CALL FOR A TOTAL OF 60 WIND-SHEAR EQUIPMENT INSTALLATIONS UTILIZING THE DOPPLER SYSTEM.

9) 1,000-FOOT RUNWAY SAFETY AREAS

ADAP FUNDS SHOULD BE USED TO FACILITATE AND ACCELERATE 1,000-FOOT RUNWAY SAFETY AREAS. THE SAFETY BOARD'S INVESTIGATION OF OVER-RUN ACCIDENTS, AS EXEMPLIFIED BY THE CONTINENTAL AIRLINES DC-10 ACCIDENT AT LOS ANGELES, CALIFORNIA, ON MARCH 1, 1978, HIGHLIGHTS A NEED FOR 1,000 FEET HARD SURFACED OVERRUNS AT THE ENDS OF RUNWAYS USED BY HIGH PERFORMANCE AIRCRAFT. THIS PROGRAM IS BEING STRESSED IN ALL AIRPORT RUNWAY IMPROVEMENTS AS WELL AS NEW AIRPORT CONSTRUCTION PROJECTS.

WHILE THE SAFETY BOARD UNDERSTANDS THAT THE CONGRESS AND THE ADMINISTRATION MUST ACT WITHIN A FRAMEWORK OF FISCAL RESTRAINT, WE HOPE THAT OUR RECOMMENDATIONS FOR ADAP FUNDING

WILL BE CONSIDERED AS PART OF OUR SHARED COMMITMENT TO ASSURE A HIGHER LEVEL OF SAFETY IN OUR AIRPORT AND AIRWAYS SYSTEMS.

PAN AM.

John Krimsky, Jr.
Vice President—Federal Affairs

March 25, 1980

The Honorable Glenn M. Anderson
Chairman
Subcommittee on Aviation
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I am writing with respect to H.R. 6721, a bill to improve the nation's airport and airway systems, and request that this letter be made a part of the hearing record. We would like to offer strong support for Section 22(d) of the bill, authorizing $19,750,000 for reimbursement of air carriers for security charges in foreign air transportation. We would also like to suggest two other subjects for inclusion in the bill -- federal payment for inspection agency costs at airports and limiting charges for inspection agency overtime.

Security Charges

Section 22(d) would raise the ceiling for funds currently authorized to be appropriated out of the Airport and Airway Trust Fund to $19.75 million, an increase of $10 million over the amount previously authorized. These funds would be available to compensate U.S. air carriers for passenger screening costs incurred in foreign air transportation.

Since 1973, U.S. airlines have been required to provide security measures to prevent hijackings and related crimes. The CAB has authorized carriers to include security costs within their domestic fare structure, but has not done so with respect to foreign air transportation. In 1976, the Airport and Airway Act directed the Secretary of Transportation to reimburse carriers for their security costs attributable to the screening of passengers in foreign air transportation.

Congress authorized funds for fiscal years 1976, 1977 and 1978 totaling $9.75 million to compensate carriers for security costs incurred in foreign transportation. Due to administrative inertia, carriers have yet to be reimbursed for these costs. You, yourself, Mr. Chairman, have expressed concern that the Federal Aviation Administration and the Department of Transportation have ignored the intent of Congress by failing to deal with the issue of international security charges -- an action that amounts to an impoundment of authorized ADAP trust funds.

In the meantime, Pan Am's security expenses continue to accumulate. Pan Am's security costs in international air transportation since 1973 have amounted to approximately $20 million, of which only a portion has been reimbursed. Exact industrywide costs are not readily available, since carriers are not required to report security costs; but the $19.75 million represents a reasonable minimum to cover these outstanding costs.

As you know, Mr. Chairman, any reimbursement to foreign carriers would be subject to appropriations. Moreover, any carrier seeking reimbursement would have to justify his costs pursuant to FAA regulations. No additional authorizations will be necessary for international security costs in the future, since carriers will soon have the fare flexibility to recover these costs on their own.

Section 22(d) is essential to a resolution, once and for all, of security charge reimbursement, and we urge its adoption by the Subcommittee.

Inspection Agency Facilities

As we have pointed out before, federal inspection agencies continue to receive their airport facilities and services free notwithstanding specific authorization to pay for them. The net effect of this practice is that the tenant airlines who are responsible for airport fees and charges actually pay for these government facilities, which are not provided for the benefit of airlines, but are used to collect federal revenue and enforce other border-crossing requirements.

In addition to imposing an arbitrary financial burden on the airlines, this "hat-in-hand" arrangement has not allowed the U.S. government to provide the desired quality for its facilities. Federal inspection agencies could better design and configure their facilities for maximum enforcement and efficiency if they did not have to depend on whatever local airport authorities were able to make available to them.

A draft amendment is attached for your consideration. No funds need to be authorized, since the federal inspection agencies already have authority to pay for their facilities under Public Law 87-255.

Thus, in order to terminate this unfair imposition on the nation's airlines and to improve inspection agency facilities, we urge that the Subcommittee adopt an amendment to H.R. 6721 that would instruct airport operators and owners in the ADAP program to charge the federal government for any facilities and services being provided to the government for inspection purposes. The inspection agencies could then work out with the airport authorities appropriate measures to design and pay for their full requirements.

Inspection Agency Expenses

Air carriers are presently required to pay a portion of the expenses incurred by inspection agencies in carrying out their official duties at airports. This expense is usually measured by the "overtime" worked by inspection agency employees. The result is that the airlines wind up paying a portion of the wages of government employees engaged in their official duties of enforcing federal revenue and other laws.

The financial cost of these government personnel expenses has been substantial to the airlines. Pan Am alone paid almost $5 million in 1977 and 1978 for these personnel expenses, and has paid a total of $12.5 million during the past five years. Again, Pan Am has received no direct benefit for these charges. The services provided by the government personnel are required by law and are made in connection with the provision of public air transportation. There is no justification for imposing these costs on the airlines.

We urge that you adopt an amendment that would simply limit the assessments that the federal government could make on airlines for providing inspection or quarantine services. A proposed amendment is attached.

International Fare Problems

In conclusion, we would like to bring you up to date on the results of your most recent major aviation legislation -- the International Air Transportation Competition Act of 1979. That Act was designed in part to improve the ability of international carriers to deal with the rapidly-escalating costs, especially fuel costs. Unfortunately, the Board's actions in implementing this Act have been, in our opinion, inconsistent with the intent of the Congress, and have threatened to reduce revenues at a time when the international carriers are incurring heavy losses.

Specifically, the Board delayed implementation of the cost pass-through process envisioned in the Act, despite its urgency to air carriers and Congressional requests for early action by the Board. When the Board finally adopted its first pass-through order, it was not applied to all fares -- i.e., the Japan and Venezuela markets were excluded -- because of regulatory actions unrelated to carrier performance. U.S. carriers were thereby made to suffer because of the action of foreign governments. The Board did not provide full pass-through until release of its order effective for April and May of 1980.

The Board also unreasonably delayed institution of the six-month investigation to establish a Standard Foreign Fare Level (SFFL) and seems to be willing to consider only reductions of fares -- excluding the possibility of raising SFFL's in the Atlantic, where they have been obviously too low. Moreover, although the Board itself delayed implementation of the proceeding, it is using the tight procedural deadline as an excuse for refusing to let the carriers fully argue their theory of the case, and for denying due process rights which we believe the Congress intended us to have when it inserted the requirement for an oral evidentiary hearing before an Administrative Law Judge.

Taken together, these Board actions threaten the benefits derived from the International Air Transportation Competition Act, and hence are a source of mounting concern to Pan Am.

If you would like further information or have questions about any of these subjects, please let me know.

Sincerely,

John Krimsky

Enclosures

[illegible]

FEDERAL
AVIATION
SCIENCE and
TECHNOLOGICAL
ASSOCIATION

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April 18, 1980

The Honorable Glenn M. Anderson
Chairman, Subcommittee on Aviation
Committee on Public Works and Transportation
2251 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Anderson:

When the Federal Aviation Science and Technological Association (FASTA) submitted its comments on the Airport and Airway Development Program in October of last year, we endorsed the further expenditure of monies for improving airport and airway facilities while expressing reservations about the Federal Aviation Administration's (FAA) ability to properly plan, purchase, test and maintain such facilities. Now, six months later, our endorsements and concerns still stand.

The FAA electronics technicians that comprise FASTA's membership are intimately aware of the condition of the National Airspace System. Their responsibility for maintaining field equipment and facilities brings them into daily contact with the guts of the power, radar, communications and computer equipments that provide enroute control and services; terminal control and services; flight service; and navigational and landing aids. They know that the national airspace system is not as safe as it could or should be.

We provided this Subcommittee detailed testimony on the safety of the national airspace system during your November hearings. We will not reiterate our previous comments, but we would like to supplement our statement in light of the FAA's failure to improve their staffing policy.

The budget the FAA submitted to Congress recommends a reduction in maintenance staffing despite all the evidence that more, not less, staff is needed. In FY80, the FAA maintained its field maintenance staff at the level of the previous year, 11,602. They did this despite commissioning 524 new facilities and equipments that added 234 man-years to the maintenance workload. This year, the FAA is escalating their head long rush into dissipating field maintenance staff. The FY81 budget plans for a reduction of 100 electronics technician positions while increasing the field maintenance workload by 252 man-years. 685 new facilities and equipments are scheduled for implementation in FY81.

As we have stated several times, the FAA's reasons for such staff reductions are simply not based in reality. Productivity gains cannot justify such personnel cutbacks and workload increases. Solid state equipment does need regular maintenance. Remote monitoring is yet to be widely installed and when in place will constitute but another highly complex system to maintain and repair. Adjusted maintenance schedules are an euphemism for reduced periodic maintenance and a sure fire way to increase the frequency of equipment interruptions and outages. These means of gaining productivity are either illusory or dangerous. Again, they cannot compensate for personnel cutbacks and workload increases.

The first policy provision of the Airport and Airway Development Program (ADAP) is the safe operation of the airport and airway system. Top notch maintenance is primary to safety. Equipment is worse than useless when it fails. It is downright hazardous because lives are depending on the proper functioning of that equipment. Yet, the priorities of ADAP are clearly skewed toward capital investment to the detriment of maintenance.

The fact that, as Transportation Secretary Neil Goldschmidt admitted in his March 27th testimony, "increased capital expenditures also inevitably, drive up total operations and maintenance cost" has not been recognized or dealt with in the clean version of the ADAP bill. Of the $355,250,000 the FAA plans to spend on facilities and equipment in FY81, $350,000,000 comes out of the Trust Fund. Whether some or none of the funds to maintain that equipment also comes out of the Trust Fund will make no impact on the reliability of the national airspace system if the total level of funding for operations and maintenance is not affected. The money will simply be coming out of another pocket. Field maintenance staffing will not be increased. Secretary Goldschmidt confirmed this when he said "I want to make it clear that our proposal to increase Trust Fund financing of O&M is not a proposal to increase program levels."

The FASTA hopes that the interest this Subcommittee has shown in aviation safety will lead to the provision of real increases in O&M funding. We urge you to keep these and our earlier comments in mind as you deliberate. The safety of the flying public depends on it.

Sincerely,

Stanley Q. Lyman

Stanley Q. Lyman
Executive Vice-President

DS/SQL/aep

FEDERAL
AVIATION
SCIENCE and
TECHNOLOGICAL
ASSOCIATION

☒ [illegible] WASHINGTON DC [illegible]
☐ [illegible] BOSTON MA [illegible]
☐ [illegible] BURBANK CA [illegible]

April 18, 1980

The Honorable Glenn M. Anderson
Chairman, Subcommittee on Aviation
Committee on Public Works and Transportation
2251 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Anderson:

When the Federal Aviation Science and Technological Association (FASTA) submitted its comments on the Airport and Airway Development Program in October of last year, we endorsed the further expenditure of monies for improving airport and airway facilities while expressing reservations about the Federal Aviation Administration's (FAA) ability to properly plan, purchase, test and maintain such facilities. Now, six months later, our endorsements and concerns still stand.

The FAA electronics technicians that comprise FASTA's membership are intimately aware of the condition of the National Airspace System. Their responsibility for maintaining field equipment and facilities brings them into daily contact with the guts of the power, radar, communications and computer equipments that provide enroute control and services; terminal control and services; flight service; and navigational and landing aids. They know that the national airspace system is not as safe as it could or should be.

We provided this Subcommittee detailed testimony on the safety of the national airspace system during your November hearings. We will not reiterate our previous comments, but we would like to supplement our statement in light of the FAA's failure to improve their staffing policy.

The budget the FAA submitted to Congress recommends a reduction in maintenance staffing despite all the evidence that more, not less, staff is needed. In FY80, the FAA maintained its field maintenance staff at the level of the previous year, 11,602. They did this despite commissioning 524 new facilities and equipments that added 234 man-years to the maintenance workload. This year, the FAA is escalating their head long rush into dissipating field maintenance staff. The FY81 budget plans for a reduction of 100 electronics technician positions while increasing the field maintenance workload by 252 man-years. 685 new facilities and equipments are scheduled for implementation in FY81.

As we have stated several times, the FAA's reasons for such staff reductions are simply not based in reality. Productivity gains cannot justify such personnel cutbacks and workload increases. Solid state equipment does need regular maintenance. Remote monitoring is yet to be widely installed and when in place will constitute but another highly complex system to maintain and repair. Adjusted maintenance schedules are an euphemism for reduced periodic maintenance and a sure fire way to increase the frequency of equipment interruptions and outages. These means of gaining productivity are either illusory or dangerous. Again, they cannot compensate for personnel cutbacks and workload increases.

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Sincerely,

Stanley Q. Lyman

Stanley Q. Lyman
Executive Vice-President

DS/SQL/aep

TESTIMONY OF JAMES MONTGOMERY
SUNNYVALE, CALIFORNIA

MR. CHAIRMAN AND SUBCOMMITTEE MEMBERS:

My name is James Montgomery. I am presently the Chairman of the Board of Directors of the National Association of Skycaps (NASCAP). I have also been employed with Allied Aviation Services as a skycap at San Francisco International Airport for 12 years.

The National Association of Skycaps was formed in 1974. It constitutes 14 chapters across the United States with a national membership of over 4,500 skycaps. The National Associations of Skycaps was specifically organized to combat all forms of discrimination the membership experienced over a decade. For example: At the time NASCAP was started approximately 60% of the skycaps providing services to the airlines were not employees of the airline and that situation remains true today. Eighty per cent (80%) of the skycaps not employed by the airlines are employees of Allied Aviation Services and members of the Brotherhood of Railroad and Airline Clerks (BRAC). These employees worked for less than minimum wage and in some cases *no* wages at all. Their compensation for services are either wholely or partly derived from tips received from airline passengers. Fringe benefits provided by the employer was absolutely minimal and in some situations non-existant. In effect, the airlines and their skycap contractor were operating a "plantation system". The blacks were the labor force performing the arduous tasks of moving luggage in and out of the airports and the whites as "overseers" representing management.

The NASCAP membership decided we were capable and qualified through many years of experience of becoming both labor and management for skycap services.

Our first action was to bring to the attention of Congressman Ronald V. Dellums in August of 1975 an executed memorandum of agreement,dated October 31, 1972 between the Office of Minority Business Enterprise, U.S. Department of Commerce and the Federal Aviation Administration, U.S. Department of Transportation delineating each agency's responsibility to promote and encourage minority business participation at our nation's airports. NASCAP claimed that neither agency had done nothing in 3 years to bring their goals to fruition. Congressman Dellums and Congressman Parren Mitchell co-chaired an oversight hearing in Washington, D.C. October 31, 1975. At this hearing both agencies admitted they had done virtually nothing to achieve the goals stated in the memorandum of agreement. They also stated that the stated goals were of high priority. The hearings were adjourned with the stipulation that the hearings would be reconvened in February, 1976 for each agency to present their plan of action for implementing the conditions of their agreement. NASCAP pointed out that airport activities at our nation's airports receiving Federal funds were in violation of the provisions of Title VI, 1964 Civil Rights Act and prayed for some remedy. As a result of the events I have summarized, Congressman Dellums caused to be enacted Section 30, 1976 ADAP amendments.

After the publication of the Section 30, proposed rules and regulations in January, 1977, each of the 14 NASCAP chapters decided to test airport management to determine their attitudes toward complying with the law. Our membership has since been intimidated, harassed and fired by the airline subcontractor, Allied Aviation Services which in turn was supported by the union BRAC. Airport menagement was aware of what was occuring and elected to stay out of it.

I would like to present to this subcommittee at this time acts of economic discrimination which exists at San Francisco International Airport:

1. The Airport Rules and Regulations expressly provide for only one skycap contractor at San Francisco International Airport. The incumbant contractor, Allied Aviation Service has had the contract since 1968. The contract which is executed by the airline carriers has never been put out for bid.
2. The new parking facility at San Francisco International Airport is being developed with ADAP funds at a cost of over 380 million dollars to U.S. taxpayers. Yet, minority construction prime and subcontracts total less than 3.5% of these funds. Additionally, the minority construction workers employed by the contractors is so insignificant they are not even visible.
3. The Civil Aeronautics Board regulates that misplaced luggage must be delivered within 24 hours after a passengers arrival. This is handled by the airlines contracting for services to

deliver misplaced baggage. As a conservative estimate there are 2,000 pieces of luggage per day misplaced by all airline carriers that must be delivered at a cost of between $4 and $10 depending upon the distance from the airport. At an average cost of $6 per unit for 365 days this equates to $4,360,000.00 annually. There are no minority businesses providing these services although there are several minority trucking firms in the San Francisco Bay Area.

4. In 1979 I purchased a Cadillac limousine with the specific intent of putting into service at the San Francisco International Airport. On April 20, 1979 I obtained a permit to operate as a Charter-Party Carrier of Passengers from the Public Utilities Commission of the State of California. The permit, item 7, included a provision that reads as follows:

" THIS PERMIT DOES NOT AUTHORIZE THE HOLDER TO CONDUCT ANY OPERATIONS ON THE PROPERTY OF OR INTO ANY AIRPORT UNLESS ANY SUCH OPERATION IS AUTHORIZED BY THE AIRPORT AUTHORITY INVOLVED."
(COPY ATTACHED)

Subsequently, I met with the Director of Airport Operations to seek relief under Section 30, either as a private carrier, subject to their terms and conditions as a contractor or as a subcontractor to the present limousine service contractor. I was told there was no way for me to put my limo in service at the airport regardless of Section 30. As a result of this restraint I sold the limousine and suffered a financial lost exceeding $15,000.00. I capitalized this business venture from personal savings and borrowed money. This incident is conclusive proof of the patterns and practices of economic discrimination against minority business at San Francisco International Airport. My loss is well worth it, if the incident serves any purpose to prevent like situations from reoccuring.

It has been over three years since Section 30 was enacted into law. There has been no change in the status-quo at our nation's airports in the form of economic discrimination against minority business, with the exception of Atlanta International Airport. Are minority businesses to be continually precluded from business participation at these facilities that were largely developed with Federal funds?

The complaint procedures utilized by the Office of Civil Rights, U.S. Department of Transportation takes more than two years to complete investigations of alleged acts of discrimination. In the meantime, ADAP funds continue to flow.

I strongly recommend that this subcommittee take the necessary action to ensure that the congressional intent of Section 30 is successfully implemented by FAA without further delay. The three year delay in publishing the final rules and has resulted in an irrecoverable financial loss to the minority business community.

In my judgement FAA needs to develop a plan of action that includes achievable goals with bench marks for implementation of Section 30. Additionally, this subcommittee should insist that the necessary funds be appropriated to insure that the financial resources are available to FAA for implementation.

I thank you for the opportunity to make this presentation.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

PERMIT TO OPERATE AS A CHARTER-PARTY CARRIER OF PASSENGERS

File No. TCP 1189-P

James Abner Montgomery
Name of Carrier

Jim Cadillac Limousine Service
D.B.A.

1366 Sage Henway		Sunnyvale	Santa Clara	94087
Number	Street	City	County	Zip Code

Address of home terminal same

Number	Street	City	County	Zip Code

The above-named Carrier, having made written application to the Public Utilities Commission of the State of California for a permit to operate as a CHARTER-PARTY CARRIER OF PASSENGERS, pursuant to Sections 5351–5419 of the Public Utilities Code, is granted this permit authorizing the transporation of passengers by motor vehicle over the public highways of the State of California as a CHARTER-PARTY CARRIER OF PASSENGERS, as defined in said Code, subject to the following conditions:

(1) No vehicle or vehicles shall be operated by said Carrier unless adequately covered by a public liability and property damage insurance policy or corporate surety bond as required by Section 5391.

(2) Said Carrier shall comply with all Commission orders, decisions, rules, directions and requirements governing the operations of said Carrier.

(3) All vehicles operated under this permitted authority shall comply with the requirements of the Motor Carrier Safety Section of the California Highway Patrol. No vehicle shall be operated by said carrier unless it is named in the carrier's most recent application for authority on file with this Commission. Written amendments to the application vehicle listing may be filed at any time prior to expiration of this authority and said vehicles may be operated at any time following 20 days after the date of said filing, unless otherwise advised by the Commission. *see back.

(4) This permit is subject to amendment or modification by the Commission and is subject to suspension or revocation as provided in the Code.

(5) This permit may not be sold, assigned, leased, or otherwise transferred or encumbered.

(6) Special conditions: ~~within a radius of 50 miles from~~

Issued pursuant to P.U. Code §5384(b).

~~(*Special conditions do not apply on vehicles under 15 passenger seating capacity and under 7,000 pounds gross weight.)~~

(7) THIS PERMIT DOES NOT AUTHORIZE THE HOLDER TO CONDUCT ANY OPERATIONS ON THE PROPERTY OF OR INTO ANY AIRPORT UNLESS ANY SUCH OPERATION IS AUTHORIZED BY THE AIRPORT AUTHORITY INVOLVED.

(8) This permit shall be effective from April 20, 1979 to April 20, 1980

Dated at San Francisco, California, this 20th day of April, 1979

(Seal.)

Public Utilities Commission of the State of California

By
Assistant Executive Director

THE NAVAJO NATION
WINDOW ROCK, NAVAJO NATION (ARIZONA) 86515

PETER MACDONALD
CHAIRMAN, NAVAJO TRIBAL COUNCIL

FRANK E. PAUL
VICE CHAIRMAN, NAVAJO TRIBAL COUNCIL

Mr. Glenn M. Anderson
Chairman
Subcommittee on Aviation
Public Works and Transportation Committee
2251 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Anderson:

The Navajo Tribe respectfully submits its support of Congressional Bill H.R. 6721, "Airport and Airway Improvement Act of 1980." The Navajo Tribe today operate air transportation services primarily to transport health patients either to metropolitan areas of Gallup and Albuquerque, New Mexico and Phoenix, Arizona.

Throughout the Navajo Nation are a number of airports and runways, both paved and unpaved, and some facilities, but by no means to a degree necessary to accommodate expected growth in Navajo Nation aviation. Initially, cost requirements, for example, for the Window Rock Airport and Airway System expansion will be substantial. However, as a result of recent growth associated with energy development, we expect that demand for air transportation services to increase far beyond those currently provided. The Navajo Tribe believes much of the provisions contained in H.R. 6721 can adequately meet the airport and air transportation needs of Indian tribes.

The Navajo Tribe has a population of 160,000 residing on 24,000 square miles of area in Arizona, New Mexico, and Utah. Some seventy percent (70%) of the population still reside in rural areas of this vast Navajo country. Although recent migration pattern has shown signs of urbanization into "Navajo Nation growth centers." There are now six major growth centers which, by and large, provide local public services and to a lesser degree private goods and service. Four of these growth centers are undergoing rapid employment/population expansion as a result of mining coal and uranium. Construction activities are expected to contribute substantially to population growth, some three-fold over the next twenty (20) to twenty-five (25) years in these four communities which include Shiprock, Crownpoint, Kayenta, and Window Rock-Fort Defiance area. These expected changes must be reflected in the Tribe's future plans for economic development.

The Navajo Tribe takes pride to receive a cooperative relationship with the Federal Aviation Authority in understanding our needs. For example, the Navajo Tribe this year applied for and received a planning grant from the Federal Aviation Authority to develop the Window Rock Airport.

In summary, the Navajo Tribe wholeheartedly supports the "Airport Planning and Development Act of 1980" and urges that: 1) the Act emphasize the development of small community airports, 2) the Act continue to be administered by the FAA, and 3) the Act contain a set-aside for Indian Tribes.

Your attention to this matter is sincerely appreciated.

Sincerely yours,

NAVAJO TRIBAL COUNCIL

Frank E. Paul, Vice-Chairman

MAR 25 1980

KENDALL K. HOYT

1228 NATIONAL PRESS BLDG. WASHINGTON, D.C. 20045

WRITER & CONSULTANT

202/[illegible]

RE: H.R. 6721 - Airport Act, Buy-American March 25 1980

Honorable Glenn M. Anderson, Chairman
Subcommittee on Aviation
House Committee on Public Works & Transportation
2410 Rayburn House Office
Washington D C 20515

Dear Mr Anderson:

The attached statement is offered with the hope that it will be printed with the hearings on the 1980 Airport Act.

It is on behalf of a newly formed Air-Ground Group of companies that supply equipment for airport safety.

They feel there is a strong case for applying the Buy-American Act to future ADAP contracts.

Respectfully yours,

Kendall K. Hoyt

KENDALL K. HOYT

TO: Honorable Glenn M. Anderson, Chairman March 25 1980
Subcommittee on Aviation
Committee on Public Works & Transportation
U. S. House of Representatives
Washington, D. C. 20515

RE: Statement for the Hearing Record on H.R. 6721
Airport and Airway Act of 1980

BUY-AMERICAN ACT

Statement of Nev L. Wagner, President of Unitron International Systems, Inc., Norcross, Ga., as spokesman for the Air-Ground Group representing airport equipment companies.

THE BUY-AMERICAN ACT of March 3, 1933 requires the use of U. S. materials and equipment, if available, in federal contracts. It applies to direct contracts by the Federal Aviation Administration for facilities and equipment; not to contracts from grants-in-aid under the Airport Development Aid Program (ADAP). Concerned companies wish the law extended to ADAP.

An amendment is sought in H.R. 6721, the pending House bill to continue ADAP another five years through Fiscal Year 1985.

In Sec. 22, add: All manufactured articles purchased under contracts funded wholly or in part by grants under this ast shall be subject to 41 USC Sec. 10.

The companies affected include makers of airport equipment such as lighting, landing aids, fire and rescue, snow removal, and special items largely for the safety of aircraft and passengers, of deep concern to government and the public.

For lighting, FAA has an approved list of more than 40 companies in 19 states. Some are large companies with many products; others specialize in aviation. Other airport suppliers too are spread across the country.

(more)

The market for airport equipment is not large. It barely supports the small companies and divisions of larger companies that must not only produce but must continually improve and create new products.

Until recently, there was limited opportunity for new entries to the world market. The development of new airports, especially in the oil countries, has attracted foreign manufacturers.

It is feared they will become more competitive in the U. S. to the detriment of a now healthy sub-industry.

U. S. policies must fast be reappraised in the face of grave new threats to world peace. Much has been done in recent years to lower the barriers to trade with other nations.

We have given away much of our technology as in the case of FAA's work to modernize Russia's air traffic control.

Now the protection of key industries becomes vital. As civil aviation is the main mode of inter-city travel that links our country's strength, each of its parts must be kept strong.

Specific reasons for applying Buy-American to airports include:

1. World leadership has been held by U. S. companies as they have innovated and improved. It must not be lost.
2. Spare parts and field service personnel must be readily available to maintain airports for the demands of traffic, safety, and military preparedness. Outages must be corrected immediately. Foreign parts do not fit U. S. equipment. Delivery may be slow and halted by war.
3. Maintenance of airports financed by ADAP is required for 20 years under FAA grant agreements, impossible without access

(more)

to parts and services.

4. Quality of U. S. products, essential to safety, is assured by FAA approval. This requires frequent visits to manufacturers by FAA experts. Travel to foreign plants would be an unwarranted expense.

5. FAA-approved products are bought not only by U. S. but foreign airports. For FAA to approve foreign products would undermine sales of U. S. products both here and abroad.

6. Americans pay for ADAP, mainly by the airline ticket tax. It would be unfair to open the market to competition by low-wage countries whose governments subsidize their industries.

Inequity is plain. Congress has deemed it in the public interest to protect sales under direct FAA contracts but not under indirect contracts in the much larger ADAP, including some of the same items.

Let all sales be covered. This sub-industry is small but do not ignore it. It has a key role in a transportation system vital to our country.

-END-

PILOTS LOBBY

STATEMENT OF

HENRY S. PFLANZ, PRESIDENT
PILOTS LOBBY

ON LEGISLATION TO EXTEND THE
AIRPORT AND AIRWAY DEVELOPMENT ACT

AVIATION SUBCOMMITTEE
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
U.S. HOUSE OF REPRESENTATIVES

Mr. Chairman, I welcome this opportunity to present the views of the PILOTS LOBBY on legislation to extend the Airport and Airway Development Act. At this critical juncture in our national life, it is essential that this law--so important in meeting the requirements of all categories of aviation--be revised to reflect the changed conditions which will be with us into the 1980's and beyond.

Of fundamental importance, in our view, is the need to bring about a better balance between Airport and Airway Trust Fund receipts and expenditures. Because Administrations of both parties have succeeded over the years in preventing the use of Trust Fund resources for their intended safety purposes at levels approximating receipts, a huge surplus--now approaching $4 billion--has developed. And this despite the fact that many significant safety measures have been deferred for "lack of funds." I refer to five areas of special concern as follows:

* more general aviation airports (especially relievers)
* new runways and runway extensions (especially at medium and small air carrier airports)
* repaving of existing runways (especially at medium and small air carrier airports and general aviation airports)
* more instrument landing systems and miscellaneous navaids (at all categories of airports)
* flight service station modernization

We commend this Subcommittee for its diligent efforts during recent years to bring Trust Fund expenditures in line with receipts. But we recall that Administration veto threats have effectively stymied all such moves. For instance, I remember vividly the funding level controversy during consideration of the 1976 bill when I was a member of the Subcommittee staff. Thus, it has become necessary to look to the receipts side of the coin for a solution--and we urge the Subcommittee to work closely with the Committee on Ways and Means during the formulation of its revised aviation tax provisions. The PILOTS LOBBY favors cuts in most existing aviation taxes as follows:

- airline ticket tax/from 8 percent to 5 percent
- general aviation fuel tax/from 7 cents to 4 cents per gallon
- freight waybill tax/from 5 percent to 3 percent

In addition, we strongly support outright repeal of the annual civil aircraft use or registration tax. This is nothing more than a nuisance levy and it is doubtful whether the revenue derived from this tax justifies the costs in time and resources expended in its collection by the Internal Revenue Service. The PILOTS LOBBY is devoting considerable efforts this year to gain Congressional backing for repeal of this irksome tax. Needless to say, we also will be working for the defeat of Administration proposals to escalate the general aviation fuel tax and impose an entirely new excise levy on all general aviation sales.

Mr. Chairman, we repectfully request the Subcommittee to resist Administration efforts to "draw down" the Trust Fund surplus by diverting ever larger amounts to paying FAA operations and maintenance expenses (O&M). Such action would confirm the errors of previous Administrations and the "omniscient" Office of Management and Budget--and it surely would represent a reprehensible breach of faith with the aviation community, nothing less. Administration logic on the O&M question continues to ignore the public benefit derived from all types of aviation activity.

The PILOTS LOBBY is firmly committed to preserving the integrity of the Trust Fund. As this Subcommittee is well aware, many divergent interests here in Washington are eyeing the current surplus for their own selfish purposes--purposes which surely would not benefit aviation. These moneys were collected from the aviation community on condition that they would be used for funding airport development and air navigation facility programs. Any other use of these funds would be totally unacceptable, in our view. To assure Trust Fund integrity, we favor the enactment of stronger safeguards to forestall any diversion of Trust Fund resources for purposes other than those intended.

One very troubling aspect of existing law is the manner in which funds are distributed under the Airport Development Aid Program (ADAP). Since the inception of Federal airport grant programs some 35 years ago, various formulas have been employed for the distribution of available funds among airports.

The formulas in the 1976 bill established passenger enplanements as the primary criterion for distributing funds to air carrier airports and relative State area/population ratios in the case of general aviation airports. As a result, the air carrier airport portion of the ADAP program is skewed to benefit large airports located in populous areas--without regard to whether such assistance is necessary. It is a fact that most such airports are able to generate sufficient resources on their own--without depending on Federal grants--so it is questionable whether they should continue to receive the lion's share of ADAP aid.

On the other hand, many air carrier airports in less populous areas are hurting. The ADAP enplanement formula simply does not translate their low enplanement levels into guaranteed funding which is anywhere near adequate for their needs--and they are unable to generate significant revenue from airport activities. Yet they are confronted with huge capital costs. Because they have access to only minimal amounts of enplanement funds, they are forced to compete with many other airports in similar circumstances for ADAP grants from the limited discretionary fund--and there never is enough to fund more than a few major projects. As a result, necessary safety improvements--notably runway projects--are deferred year after year after year.

As for general aviation airports, their portion of the ADAP program is far too small to accomplish substantial results. And relative State area/population ratios, as well as the pitifully small discretionary fund, do not always match the meager amount of available funds with projects evidencing the greatest need. The general aviation airport portion of the ADAP program must be expanded significantly to provide new and upgraded facilities for general aviation--the fastest growing segment of the industry. The highest priority must be assigned to developing new relievers in metropolitan areas, but general aviation needs in other areas must not be overlooked.

The PILOTS LOBBY urges that the Subcommittee carefully evaluate the existing formulas for distributing ADAP funds. We suggest that demonstrated need should be the primary criterion for grant assistance under the ADAP program and that arbitrary, unrealistic formulas be discarded--all in the interest of promoting aviation safety, the stated purpose of the ADAP program. As an alternative, perhaps an airport-by-airport deficiency rating system, based on information from the National Airport System Plan coupled with pertinent financial data, could be developed to target ADAP funds to projects which will bring the greatest returns in terms of safety. It would be irrelevant to oppose such a reform by citing the fact that most Trust Fund revenue is raised at large air carrier airports because the ADAP program was enacted to solve safety programs, not to serve simply as a conduit for the return of tax funds to the point where they were collected.

Mr. Chairman, this concludes my prepared statement. You and your Subcommittee colleagues have our best wishes for continued success in your vitally important deliberations.

STATEMENT OF WILLIAM N. ROSE, SECRETARY
FLORIDA DEPARTMENT OF TRANSPORTATION
FOR THE RECORD OF THE AVIATION SUB-COMMITTEE
HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
MARCH 26, 1980

Mr. Chairman, Members of the Sub-Committee:

I am William N. Rose, Secretary of the Florida Department of Transportation. The State of Florida is happy with the results of the Airline Deregulation Act of 1978. We have been inundated with new service and every week service increases. Florida's economy is heavily impacted by tourism and fortunately air transportation is increasing at the time private auto travel is decreasing.

While we are happy with the increased number of flights, our airport facilities are inadequate to meet the increased demand. We look to the new Airport and Airways Improvement Act of 1980 to help us meet these new service requirements. We see many areas of this proposed legislation as being highly responsive to this need and some that may require further consideration.

We hardily support your proposed higher funding levels for all categories of airports. The cost of construction is escalating much faster than funding levels.

We have found the inflexibility of airport apportioned funds detrimental to the program. For example, some Florida airports are unable to use enplanement funds while other airports nearby are crying for assistance. We compliment you on the provisions whereby a sponsor may make part of his apportioned funds available to another sponsor.

Also we find the fixed formula for Federal participation in all categories of airports hinders development. We believe your proposal whereby primary airports enplaning .25% or more may have Federal participation "not to exceed

75%" will be much more flexible in developing higher priority projects.

However, we believe your higher funding levels, increased flexibility in apportioned money and changed funding formulas still do not adequately provide for airports of national significance. That is, we do not see how such projects as Hollywood-Burbank, St. Thomas, Orlando International and the new Southwest Florida Regional Airport can be funded without disrupting the orlderly flow of discretionary funds. We ask that provisions be made for funding of airports of "national significance".

The provisions for a "consolidated improvement plan" and an "annual expenditure program" for some airports are excellent steps. However, we believe the FAA needs a similar plan and program of their own at the national level. We feel Congress should require the FAA to develop and put into operation an effective automated management system which would be responsive to Congress, OMB, State and local governments.

In Florida we view transportation as a team effort whereby the State, local and the Federal governments work together in a full partnership. We have seen the FAA take steps to conduct training seminars and workshops for State and local government employees. This is a good beginning. We strongly support your proposal to fund the training of State and local government employees.

We are disappointed that there is no provision for state administration of any portion of the airport development program. Of the 98 publicly owned public airports in Florida, 42 do not have airport managers. At these 42 airports the State of Florida takes the lead in preservation and development. We hope that the Congress will recognize that States are already deeply involved and will give the States the tools necessary to insure the continued existence of these "needed but unloved" airports.

Mr. Chairman, we enjoy the finest air service of any State in the Nation. We ask you to help us provide the airport facilities needed to provide for this air service.

Thank you!

HUGHES AIRWEST
International Headquarters
San Francisco International Airport
San Francisco, California 94128
Telephone [illegible]

March 27, 1980

Honorable Glenn M. Anderson
Chairman
Subcommittee on Aviation
Committee on Public Works
and Transportation
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I had hoped to be able to appear in person before your subcommittee to present the views of Hughes Airwest on the crucial issue of airport access, and the need for an active federal involvement to resolve the problem on a national basis. Unfortunately, pressing corporate developments require my presence in California. I would like, therefore, to summarize those views in this letter.

Of all the problems which face the U.S. air transportation industry as we enter the 1980's, none is more potentially disruptive than the proliferation of local, environmentally-related constraints upon airport access. As it is with many other social and economic trends, California is in the forefront of local community-developed airport access restrictions. Because much of Airwest's service is concentrated at California airports, we are increasingly conscious of the havoc that awaits the industry as inconsistent and often incompatible rules are adopted by one airport after another.

Airwest's experience has been that airport proprietors are under intense local political pressure to take action to restrict airport operations to limit noise. While we do not believe that airport authorities are anxious to act independently of federal direction in this area, their attempts to obtain federal guidance have met with a two-pronged negative response. First, the FAA contends that whether a local airport should restrict operations is purely a local matter. Secondly, such guidance as is given on how restrictions should be applied is, at best, obtuse and fails to give consideration to the most important issue: what might be the cumulative effect on interstate commerce if other airports impose similar restrictions.

As a consequence, airports are enacting a variety of restrictive rules, and local courts with no expertise in the area, focusing on a particular rule at a particular location, are being called upon to ascertain whether such rules do violence to federal programs or constitutional guarantees. Such an approach virtually assures that no one will "see the forest for the trees" until the air transportation system has reached a chaotic state.

Southern California offers a vision of the future. The Los Angeles basin, an area of well over 12 million people, receives scheduled air service through five airports. Three of those facilities have already adopted extraordinarily restrictive limits on airport access, and as a result the burden placed on the two remaining facilities is provoking efforts to "cap" their growth. One of the restricted airports, John Wayne (formerly Orange County) serves the Orange County area of the state, a community of over 1.8 million. Yet, total operations at the airport are limited to approximately 39 departures per day and the restrictions effectively preclude either new entry or the expansion of service by the established carriers. By way of contrast, National Airport is served by 17 certificated scheduled carriers and handles more commercial flights every two hours than John Wayne Airport handles in an entire day. Long Beach Airport lies roughly midway between Orange County and Los Angeles International. While convenient to a significant portion of the southern Los Angeles basin, Long Beach has adopted restrictions which limit commercial operations to 8 departures per weekday and 6 departures per day on weekends.

A third Los Angeles basin airport serving the Burbank, Glendale, and Pasadena areas, as well as a substantial portion of the San Fernando Valley, has adopted rules which cap operations at approximately 47 departures per day, again a figure equivalent to about 2 hours of operation at Washington National.

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The access limits which are imposed at Burbank and the Orange County airports have not alleviated environmental problems, they have merely exported them to neighboring communities. It is reported that 8 million of the travelers which use Los Angeles International Airport annually come from Orange County. It is reasonable to conclude that an additional large number of Los Angeles International Airport users come from communities closer to Burbank than Los Angeles International. Burbank and Orange County have simply transferred their environmental problems to another area and in so doing have compounded them by adding to automotive fuel consumption and, correspondingly, automotive emissions as well as to highway congestion as air travelers from outlying communities drive past underutilized airports to Los Angeles to board aircraft.

As experience in the Los Angeles basin demonstrates, local governments cannot be expected to balance properly all regional factors, and there is today no federal government office which can step in and offer the oversight and coordination which is essential. The FAA, which over two years ago promised to offer concrete advice on noise abatement plans for airports, has taken no apparent steps to follow through on that promise.

The circumstances in which the Burbank Airport's current rules were devised and implemented provides an excellent example of the need for federal guidelines and oversight. In the Burbank situation, the proprietor (the Burbank-Glendale-Pasadena Airport Authority) was faced with a contractual requirement to limit noise. The proprietor's response was to propose a rule which requires the scheduled air carriers to file and receive approval for any increases in operations into and out of Burbank. To gain approval, a carrier must show that the new operations will not "result in or contribute to an increase in the noise impact area of the airport." Since any significant increase in scheduled operations would increase the cumulative noise impact, the rule is an effective prohibition on growth, and a frustration of competition. (Inexplicably, no constraints have been placed upon general aviation which includes operations of noisy, twin engine corporate jet aircraft.)

Although facing severe local pressure to take some immediate drastic action to limit noise, the proprietor did elicit the views of the federal government regarding the substance of the rule. The responses it received and the course of action it eventually felt compelled to take provide telling evidence of the need for more active and orderly federal involvement in this matter.

The rule itself was proposed in March 1979. On April 18, 1979, the proprietor received a letter from the Director, Western Region, FAA, stating that the FAA did not oppose the rule and would offer no objection to its adoption. However, on May 24, 1979, the proprietor received a letter from Philip Bakes, General Counsel of the CAB, which purported to be the product of joint analyses of the rule by the CAB and FAA. That letter raised serious concerns about the proposed rule and stated that absent a fair method for new or additional operations to displace some fraction of existing operations (which the rule did not then and does not now have) the rule could constitute a "quite serious violation of federal law." The letter went on to recite that the FAA's chief counsel "fully concurs in this assessment." It did not, however, provide an anxious airport authority with workable suggestions as to how it could structure a rule which would meet its commitments on noise and yet meet the government's basic complaint that freezing competitors at certain historic service levels prevented the type of competition envisioned by the Congress.

The Airport Authority was caught in a dilemma. It felt compelled to take some action to limit noise; it had drafted a rule designed to achieve that goal, and it was told by different offices of the FAA, first, that it would not object to the rule, and then that the rule could be a serious violation of federal law. The proprietor's response was understandable. Presented with confusing views as to the legality of the proposed rule and facing mounting citizen pressure either to take some action or demonstrate convincingly why it could not, the proprietor adopted the rule leaving it to a State court to decide the crucial issues of federal law involved.

Burbank's rule is substantively different from the rules in effect at John Wayne Airport, or at Long Beach or San Diego's Lindbergh Field. There are, however, common factors. First, each of these rules results in the facility being utilized at a level well below its potential, and second, each of these rules has already or soon will generate administrative and/or judicial litigation which cannot reasonably be expected to be resolved for a number of years.

While airport usage must be consistent with environmental concerns, the national air transportation system cannot afford airport utilization levels which are far below those thresholds required to avoid disruption of the environment. Nor can the nation afford to await the outcome of numerous rounds of litigation to determine the character of its air transportation system. Action must be taken now (1) to establish federal guidelines and oversight for locally-imposed airport access rules and (2) to develop an active program such as that outlined in the Aviation Safety and Noise Abatement Act of 1979, to convert, where possible, land surrounding airports to uses compatible with the levels of noise which the facility will produce at optimum utilization.

On November 18, 1976, the FAA announced its intention to advise communities on appropriate noise abatement procedures. Two years later, the Air Transport Association of America, concerned with the course of events and the FAA's odd indifference, proposed a simple FAA review procedure for airport noise abatement plans. Although in September 1979, the FAA invited comments on that proposal, it has taken no further action. It appears that Congressional direction in this area is imperative. At the same time, the Congress should assure that the FAA receives the appropriate funding and personnel resources needed to implement promptly the programs set forth in the Aviation Safety and Noise Abatement Act of 1979, and that the FAA is made fully aware of the importance which Congress places on rapid movement in this area.

Finally, I would urge this committee to attempt to gain a proper overview of the airport access problem. This would entail not only expert testimony from the aviation industry but from government officials competent to speak to the broad regional and national environmental factors which must be evaluated in limiting access to a particular airport, to the effect limiting local airport access has on gasoline consumption, and to the effects which such airport access limits have upon federally funded projects such as the interstate highway system.

The problem is complex and expanding. There are no easy answers but one thing is certain -- the current government policy which encourages a purely local approach cannot be continued. Airport access rules, and particularly airport access allocations must be compatible nationwide. To achieve this necessitates federally administered guidelines and, if access rationing is necessary, federally administered allocation systems. The present balkanized approach may be politically expedient in the short run. In the long run, however, we will all have to pay many times over for not facing the problem squarely and resolutely at a time when workable solutions are still reasonably attainable.

Thank you for your consideration.

Sincerely,

Russell V. Stephenson/AE

Russell V. Stephenson
President and Chief
Executive Officer

SIKORSKY AIRCRAFT

Gerald J. Tobias
President

Stratford, Connecticut 06602

March 20, 1980

Honorable Glenn M. Anderson
Chairman, Subcommittee on Aviation
Committee on Public Works and Transportation
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressman Anderson:

I would like to submit the following remarks for the record with regard to the ADAP Bill, H.R. 6721.

On September 25 of last year, I was privileged to testify before the Aviation Subcommittee. At that time I observed that today's helicopters were prepared to contribute significantly to the national aviation system, and that this potential had been untapped because of unrealistic procedural and funding limitations.

In the intervening months this subject has been explored in the Federal Aviation Administration, in the councils of state and local governments, and in Congressional staff offices. We are gratified that all three of these government sectors have responded positively to our concerns.

Yet, helicopters and heliports are not provided for as such in the current draft of H.R. 6721. Thus a major constraint on development of the heliport system remains.

Although the FAA and others have stated that "helicopters" are implied by "aircraft," and "heliports" are implied by "airports," the fact remains that the unique advantages of helicopters and heliports are not measurable in terms of conventional fixed-wing equipment and facilities. Thus, heliports compete for funding with fixed-wing airports on fixed-wing terms, and they will inevitably show up very poorly. Since heliports cannot accommodate fixed-wing airplanes, they are very poor reliever airports in present ADAP terms. Therefore, in any competition for ADAP funds, heliports cannot expect a reasonable share: that is why heliport sponsors have not bothered to apply for ADAP funds at all.

The Committee and the public appear to have responded favorably to discussion last summer of the unique and substantial advantages that helicopters and heliports can provide. Since the value of the heliport system is not in question, specific funding should be set aside for that system to avoid heliport-versus-airport competition for funds on a year-to-year project basis.

Division of
UNITED
TECHNOLOGIES

To establish the need for this funding set-aside, it would seem appropriate to explore the potential of a national helicopter/heliport system, and to demonstrate the extent to which the system can serve the public and relieve hub airport congestion. A modest experimental program could accomplish these objectives and provide an indication of system costs and benefits. While answering these questions, a properly structured demonstration program would also provide a real and measurable service to the travelling public.

Since the problems of air travel and airport capacity are most severe in the Northeast Corridor of the United States, I would propose that a demonstration of the helicopter system should involve the participation of the primary cities in that Region. It should also involve the established regional airline community.

A program of this size might be organized for a very small portion of the prospective aviation development budget. It would clarify the function of the helicopter in the national aviation system, and it would show us directions that evolution of the system might later take. Accordingly, I propose to develop this concept in concert with other members of the helicopter community, with the objective of presenting the Committee with a comprehensive proposal for its consideration during the completion of its work on H.R. 6721.

Very truly yours,

G. J. Tobias

GJT:jlf

metropolitan washington
COUNCIL OF GOVERNMENTS
1875 Eye Street, N.W., Suite 200, Washington, D.C. 20006 223-6800

March 27, 1980

The Honorable Glen M. Anderson
Chairman, Subcommittee on Aviation
Committee on Public Works and Transportation
Rayburn House Office Building
Washington, D. C. 20515

Dear Congressman Anderson:

We understand that the Subcommittee on Aviation is currently holding hearings regarding post-1980 ADAP legislation. At the request of Mr. David Traynham of the Committee on Public Works and Transportation Staff, I am forwarding copies of three (3) reports concerned with heliport/helicopter planning activities in the Metropolitan Washington area.

These reports were prepared by the Metropolitan Washington Council of Governments (COG) as part of our continuing air transportation system planning program funded by the FAA. The reports are entitled, Downtown Washington Heliport Study, Assessment of the Use of Helicopters for Emergency Medical Transport, and Summary Report on Helicopter Activity in the Washington Metropolitan Area.

If I can be of further assistance, please do not hesitate to contact me at 223-6800, extension 359.

Sincerely yours,

Alan F. Zusman

Alan F. Zusman
Project Manager
Air Transportation System Planning

ASSESSMENT OF THE USE OF HELICOPTERS
FOR EMERGENCY MEDICAL TRANSPORT
IN THE
METROPOLITAN WASHINGTON AREA

The preparation of this report was financially aided by a federal grant from the Federal Aviation Administration of the Department of Transportation under the Planning Grant Program authorized by the provisions of Section 13 of the Airport and Airway Development Act of 1970; and by funds from the Metropolitan Washington Council of Governments.

The contents do not necessarily reflect official views or policy of the U.S. Department of Transportation. This report does not constitute a standard, specification or regulation.

June 1979

NATIONAL CAPITAL REGION TRANSPORTATION PLANNING BOARD

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS

SUMMARY

In October 1978, the Metropolitan Washington Council of Governments received a planning grant from the Federal Aviation Administration to carry out Phase I of its Five-Year Continuing Air Transportation System Planning Program. Included in Phase I of the program was the requirement for a study of the use of helicopters for emergency medical services (EMS) support. This report, which is an assessment of the use of helicopters for emergency medical transport in the metropolitan Washington area, was prepared in response to that requirement.

Although ground ambulances and fire rescue vehicles are the primary mode of transportation of patients, helicopters provide a viable option. They are particularly useful in cases where patients, vital organs or blood plasma must be transferred quickly from one medical facility to another, especially over long distances, such as to Specialty Referral Centers and in picking up injured persons from remote areas which are inaccessible by ground vehicles. The effectiveness of helicopters is limited, however, when landings/take-offs are required in congested areas, such as the built-up areas of downtown Washington, D.C. and its suburbs, or in heavily wooded areas. Weather can also be a limiting factor to helicopter operations because, even with "all-weather" equipment, helicopters can be grounded by high winds. On balance, helicopters provide an effective augmentation to ground ambulances and fire/rescue vehicles in the metropolitan Washington area.

There are two police and three military organizations which can provide emergency medical transport by helicopter in metropolitan Washington. These are the U.S. Park Police, the Maryland State Police, the 247th U.S. Army Medical Detachment (Helicopter Ambulance), Davison U.S. Army Airfield, and the 1st U.S. Air Force Helicopter Squadron. Support of EMS operations is a primary mission for the police units, whereas this mission is secondary for the military organizations. Moreover, the Defense Department specifies that military resources will not be used for non-military missions until all civilian resources are exhausted. Thus, military aircraft are not nearly as available for EMS support as are the police helicopters. All factors considered, the existing system of police resources backed by those of the three military units appears adequate to handle the normal demand for helicopter transport of patients in metropolitan Washington.

The police helicopters are fully equipped as airborne ambulances and have adequate numbers of well trained personnel, including pilots and medical technicians. The military aircraft are more sparsely equipped and do not always carry medically trained personnel as regular crew members. However, any special medical equipment or medical personnel can be, and are, provided by the hospital or organization which is supported.

Two factors determine where patients or injured persons are flown: (1) capabilities of a particular hospital for treating specific types of patients, or specific types of injuries or conditions, and (2) the nature of landing facilities at the hospital in question. Landing facilities vary from rudimentary, such as an open field near a hospital, to the fully equipped facilities at Washington Hospital Center and the Shock Trauma Center at the Maryland Institute for EMS (MIEMS) in Baltimore. In considerations of both factors, the Maryland State Police fly most accident victims to Baltimore and the U.S. Park Police normally flies to either the Washington Hospital Center or to the MIEMS. In cases of transferring patients from one hospital to a Specialty Referral Center (for hand injuries, spinal cord injuries, eye trauma, etc.), the sole determinant is treatment capability of the referral center. At some of these centers, due to lack of nearby landing facilities, the transfer of patients by helicopter must be supported by ground transportation from the landing site to the center.

During the Federal Fiscal Year ending September 30, 1979, the U.S. Park Police was granted a special appropriation from Congress to provide helicopters for EMS support throughout metropolitan Washington on a 24-hour per day basis. At this level of support, the number of helicopters available for EMS operations appears to be adequate If, at the end of the grant period, this 24-hour service is discontinued, then the District of Columbia and the northern Virginia jurisdictions will effectively be without helicopter EMS support for at least eight hours per day. In this case, the finding that helicopter support is adequate might be rendered invalid.

Based on the findings of this assessment, the following recommendations are made:

1. The U.S. Park Police should continue its 24-hour per day helicopter support service for local jurisdictions in metropolitan Washington on a permanent basis.

2. Current training practices of the U.S. Park Police and Maryland State Police for their aeromedical evacuation crews are effective and should be continued.

3. Those hospitals in metropolitan Washington which wish to receive or dispatch patients via helicopter transport on a regular basis should develop nearby helicopter landing facilities which have communications and approach and departure lanes that would permit pick-up and delivery of patients by helicopter in addition to ground ambulance.

4. Coordination among the U.S. Park Police and Maryland State Police helicopter services, medical facilities and other ground operational agencies in metropolitan Washington must be continued so that operational procedures can be improved and inter-agency relationships strengthened.

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PURPOSE

The purpose of this report is to present an assessment of the use of helicopters for emergency medical transport in the metropolitan Washington area.

At the outset, the reader should be aware that helicopters are not the primary means of transporting patients in metropolitan Washington. Ambulances and fire rescue vehicles remain the primary mode of transportation and, particularly in the built-up areas in the District of Columbia, are virtually the only resource available to support the Emergency Medical Services (EMS) System. The reader should also note that none of the local governments in metropolitan Washington possess helicopters except the District of Columbia -- and these are light observation helicopters used for crime fighting and traffic control by the Metropolitan Police Department (MPD) and are not adaptable for use in transporting patients.

SCOPE

The report identifies the available civilian and military equipment and trained personnel, and discusses the availability of support units. Factors which limit service, such as flight regulations, weather and hazards to flight are included in the discussion. The report covers operating procedures, such as procedures for requesting helicopter assistance, communications, where patients are flown, hospital landing facilities and operational guidelines.

Finally, the report presents activity data for calendar year 1978 for the helicopter units which provide EMS support, and assesses the support rendered for emergency medical transport.

Data for this report were obtained by searching MWCOG files; by reviewing pertinent regulations of the Federal Aviation Administration; and by interviewing key personnel from those organizations which have helicopters that are used to support the EMS system.

SUPPORT ORGANIZATIONS

There are two police and three military organizations which can provide emergency medical transport by helicopter in the metropolitan Washington area. These are the U.S. Park Police (USPP), the aviation section of which is located at Anacostia Park in the southeast portion of the District of Columbia; the Maryland State Police (MSP), which has one of its four helicopter base stations located in metropolitan Washington; the 247th U.S. Army Medical Detachment (Helicopter Ambulance), located at Fort George G. Meade, Maryland; Davison U.S. Army Airfield (DUSAA), located at Fort Belvoir, Virginia; and the 1st U.S. Air Force Helicopter Squadron, located at Andrews Air Force Base, Maryland.

Support of EMS operations is a primary mission for the police (civilian) units, whereas this mission is secondary for the military organizations. Defense Department directives specify not only that military resources not be used until after all civilian resources are exhausted, but also that military missions take priority over missions involving the provision of support or assistance to civil authorities. For this reason, military aircraft are not nearly as readily available for EMS support as are the civilian.

The 400th Medical Detachment, District of Columbia Army National Guard has several helicopters located at DUSAA, but these are not used at the present time to support EMS operations in the metropolitan Washington area. The locations of these organizations are shown in Figure 1.

AVAILABLE EQUIPMENT

Equipment resources available to each of the helicopter units vary not only by types and numbers of aircraft, but also by the medical support equipment carried on each aircraft.

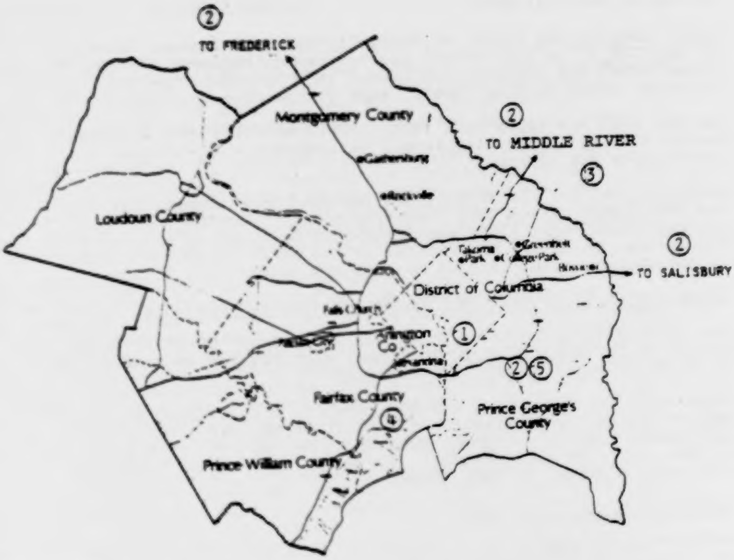
U.S. Park Police

The USPP has two Bell Jet Ranger aircrafts. Each helicopter is capable of carrying two specially-designed litters which fit into one side of the aircraft after the seat and flight control lever on that side are removed.

Park Police aircraft are equipped with portable life-supporting equipment, including oxygen with various delivery mechanisms, and a suction unit. Other medical equipment carried on board are intravenous pressure bags, esophageal airways, an obstetrical kit, sterile burn sheets and blankets, major trauma dressings, splints and collars. The USPP also has a machine which automatically measures blood pressure and pulse. The aircraft can handle infants and necessary neo-natal equipment and can be adapted to secure an isolette.

Maryland State Police

The MSP has four Bell Jet Ranger aircraft, one of which is based at each of the following locations: Frederick, Andrews Air Force Base, Middle River (Martin State Airport) and Salisbury


②
TO FREDERICK
Montgomery County
Gaithersburg
Rockville
② TO MIDDLE RIVER
③
Loudoun County
Takoma Park
Greenbelt
College Park
② TO SALISBURY
District of Columbia
Falls Church
Fairfax City
Arlington Co.
①
Alexandria
② ⑤
Fairfax County
④
Prince George's County
Prince William County

KEY

(1) United States Park Police (Anacostia Park)

(2) Maryland State Police (Andrews AFB and other locations)

(3) 247th U.S. Army Medical Detachment (Fort Meade)

(4) Davison U.S. Army Airfield (Fort Belvoir)

(5) 1st U.S. Air Force Helicopter Squadron (Andrews AFB)

FIGURE 1: Helicopter Support Unit Locations

(Wicomico County Airport).

These aircraft can carry two specially-designed litters (similar to the USPP). In the event a patient cannot be moved off the litter after the aircraft has landed at a hospital, the MSP has eight extra litters, two at eaéh of the base locations.

The MSP also has eight Bell "Huey" UH-1B aircraft with external cargo hooks and two H-34 Sikorski helicopters with external cargo hooks and hoists.

Aircraft used for EMS support are equipped with essentially the same items as are USPP aircraft, except that the MSP aircraft also carry blood administration sets and data scope with electrodes, which are not carried by the USPP. A complete list of medical equipment carried on each MSP aircraft is at Annex A.

247th U.S. Army Medical Detachment (Helicopter Ambulance)

The 247th Medical Detachment has six Bell "Huey" UH-1H aircraft available for medical support. These aircraft can be configured to hold six litters each, if necessary.

These aircraft, when used for EMS support, are equipped with a medical chest, resuscitator, aspirator, oxygen and splints. Additional special equipment that might be required is provided by the supported organization. Normally, this is the Kimbrough U.S. Army Hospital at Fort Meade.

Davison U.S. Army Airfield

Davison Army Airfield has thirty-three Bell helicopters of the UH-1 type. Two of these aircraft are equipped with fire suppressant material and have the capability to carry three litters and four walking patients. Thirty-one UH-1H aircraft are capable of carrying two litter patients. DUSAA has a 75 percent (i.e., 24 aircraft) availability rate based on Department of Army requirements.

Since EMS support is not one of the primary missions of DUSAA, any special medical equipment is provided by the support organization when DUSSA aircraft are used for emergency medical transport.

1st U.S. Air Force Helicopter Squadron

The 1st Helicopter Squadron has nine Bell-212 twin-engine helicopters (UH-1Ns), which can carry up to six litters each. The squadron also has four CH-3E helicopters, which can carry up to eight litters.

As with Davison Army Airfield, EMS support is not one of the primary missions of the 1st Helicopter Squadron. As a result, special medical equipment is provided by the supported organization.

AVAILABILITY OF TRAINED PERSONNEL

There are two logical considerations which should enter into a discussion of availability of trained personnel. The first centers around the magnitude of the accident or disaster; the second concerns the number of personnel who can be brought to the scene of need and the speed with which this can be accomplished.

The first consideration leads to a determination of the level of support required and is, basically, a distinction between a car crash with one or two victims and an airplane crash with more than one-hundred victims. One can readily visualize that the requirements for EMS support and patient transport can be significantly different for the car crash vis-a-vis the airplane crash.

The second consideration is one in which an assessment is made of not only the total numbers of trained personnel assigned to any given unit, but how soon they can be mustered into operation. In ascending order of readiness, personnel can be in a leave, off-duty, on-call or stand-by status. Those on leave could very well be physically out of the metropolitan Washington area and might be unavailable for periods of up to days in duration. Personnel off duty would normally be expected to be at or near their homes, and could probably be reached in a matter of hours, particularly if the news media and broadcast stations are used in the recall process. As a case in point, when the riot gas storage area of the D.C. Metropolitan Police Department blew up on January 12, 1978, the Local Emergency Broadcast Procedure was implemented to recall District of Columbia Fire Department personnel. As a result of these radio broadcasts, a number of personnel reported for duty almost immediately and sufficient personnel were on duty to permit the area to be evacuated, the fires to be brought under control, and the affected building to be secured in a matter of only a few hours.

On-call personnel, although permitted to be away from their places of duty, must be immediately available by telephone or, less often, by radio. Since most people live within one hour's drive from their jobs, and personnel in an on-call status normally remain at home, it is reasonable to assume that on-call personnel can be mustered within one hour or less of the time they are called.

Personnel on stand-by are required to remain physically at their place of duty, and their response time is measured in seconds or only a few minutes at most. In the case of helicopter crews, this means that they must remain in the immediate vicinity of their aircraft.

In view of the preceding discussion, data on personnel will be presented from the points not only of total personnel and crews available, but also of the numbers of personnel and crews in advanced states of readiness and what those states typically are.

United States Park Police

The USPP Aviation Section has a total of four pilots, plus two more in training; and six Emergency Medical Technicians (EMTs), of whom two are being cross-trained as pilots. An aircraft crew consists of one pilot and one EMT.

On October 1, 1978 the USPP began twenty-four hours-per-day, seven days-per-week service. This mode of operation was authorized for one year, and a review will be made before a decision is made to extend it. At the present time one crew is on duty in a standby status at all times, and could have one aircraft airborne within a few minutes. It would take an indeterminate period of time for another crew to be mustered to fly the other aircraft, as all other crews would be off duty or on leave except during normal duty hours.

Maryland State Police

An MSP aircraft crew consists of one pilot and one EMT. The MSP has one standby crew at each of its base locations (Frederick, Andrews Air Force Base, Middle River and Salisbury) on a 24-hours-per-day, seven days-per-week basis. As a matter of policy, crews are not cross-trained (i.e., pilots are not trained as EMTs and EMTs are not trained as pilots). The MSP, thus, can have all four of its Bell Jet Ranger helicopters airborne within minutes of an emergency.

The MSP have sufficiently trained personnel to man all their remaining aircraft -- eight Bell UH-1B and two Sikorski H-34 helicopters -- but this would require planning in advance, to assure that all personnel were contacted and placed in a duty status. In the event of an unforeseen, broad-based disaster, the time required for all aircraft to become airborne could not be predicted accurtely.

247th U.S. Army Medical Detachment

The 247th Medical Detachment usually carries on each flight a crew of two pilots, one EMT and one crew chief. The detachment has sufficient personnel to man all its six aircraft at one time, but only one crew is normally in an advanced state of readiness, and then only during regular duty hours, which are from 7:00 a.m. to 4:00 p.m., Monday through Friday. This one crew is on-call, not on stand-by, and its reaction time can be as much as thirty minutes to one hour.

Davison U.S. Army Airfield

Although DUSAA has sufficient aircraft crews to fly its twenty-four helicopters, there are only four aidmen (military equivalent of EMTs) assigned to the organization. This effectively reduces the number of helicopters available for emergency medical transport to a maximum of four at any given time, since an EMT is normally part of an EMS support crew. DUSAA also has two fire suppression specialists who, although not trained as aidmen, are assigned to all crash rescue missions.

During normal duty hours, which are from 6:15 a.m. to 6:00 p.m., Monday through Friday, DUSAA retains one crew on standby and can have one aircraft airborne within ninety seconds. During non-duty hours, one crew is on-call, and response time is extended to as much as one hour.

1st. U.S. Air Force Helicopter Squadron

A crew for the 1st Helicopter Squadron consists of a pilot and a co-pilot or crew chief. Normally, an EMT is not on-board. If an EMT is needed, one is available at the Andrews Air Force Base Dispensary, but only during noraml duty hours, which are from 8:00 a.m. to 6:00 p.m., Monday through Friday. During non-duty hours, if there is a requirement, an EMT would be provided by the supported organization or a non-duty person assigned to the Dispensary would have to be contacted.

One Bell-212 (UH-1N) aircraft is configured for medical evacuation and, during normal duty hours, one crew is on standby to man this craft. This crew can be airborne within five minutes. If more than one aircraft is needed, it would take up to 30 minutes to reconfigure the other aircraft and muster the required crew(s). During non-duty hours, one crew is on-call, with a response time of ten to thirty minutes.

AVAILABILITY OF SUPPORT UNITS

Each of the five organizations which provide helicopter support to emergency medical services operations in metropolitan Washington has mission priorities and primary geographical areas which they serve.

The Maryland State Police comprise the primary resource for emergency medical transport in the State of Maryland, to include the Maryland suburbs of Washington, D.C. If the MSP is unable to respond to a request in Maryland, the U.S. Park Police is the first back-up unit contacted.

The U.S. Park Police Aviation Section serves the entire metropolitan Washington area, operating for the most part within a fifty-mile radius of its base location in Anacostia Park. The USPP constitutes the first line of service available to the District of Columbia and Virginia. In the District of Columbia, the Metropolitan Police Department has four small observation-type helicopters, which are used for crime fighting and traffic control. These aircraft are not equipped for emergency medical transport and cannot carry litters. There are no helicopter resources available from the local or state government levels to provide emergency medical transport in the Northern Virginia area.

The three military organizations, DUSAA, the 247th Medical Detachment and the 1st Helicopter Squadron, have as a first priority the support of military missions. Department of Defense directives state that before military resources are requested and authorized, all available civilian resources at the local, state and federal (i.e., USPP) levels must be exhausted. As such, the military units may be considered only as back-up support to civilian resources.

The Department of Defense has designated the Department of the Army as the initial contact point within the continental United States for military aid to civilians. Requests by civilian authority for military support are therefore properly channelled through Davison Army Airfield and Fort Meade. The 1st Helicopter Squadron at Andrews Air Force Base is a back-up to Army resources.

CASE TYPES

The various types of medical cases constitute another factor in an assessment of helicopter support capabilities for emergency medical transport operations in metropolitan Washington. Generally, case types fall into the following categories:

a. Transport of victims from the scene of an accident to a hospital.

b. Transfer of patients from one hospital to another.

c. Transport of vital organs and blood plasma.

The condition of a patient (i.e., the severity of illness or inury) can also be a determinant in a decision to allocate helicopter resources for emergency medical transport. The USPP provide assistance in major trauma cases. This means that their efforts are concentrated on accident scene to hospital transport. The MSPs efforts are also primarily in accident scene to hospital, but the MSP also make a significant number of hospital to hospital transfers of adults and premature babies.

The military organizations provide much of their support by transferring patients from hospital to hospital or by transporting vital organs and blood plasma. This explains why military organizations do not normally include EMTs in their crews. If EMTs are required, they can be added as special crew members or provided by the supported organizations.

SERVICE LIMITATIONS

Several factors which limit the use of helicopters for emergency medical transport in the metropolitan Washington area are flight regulations; weather and natural or man-made hazards.

Flight Regulations

Three basic regulations concern flight routes, altitude limits and restricted areas over which flight is prohibited. These are regulations of the Federal Aviation Administration and govern all helicopter flights over Metropolitan Washington.

First, eight flight routes have been established for helicopter travel through the area. Generally, they follow major ground routes and waterways. See Figure 2, which depicts these routes by stars and gives a verbal description at the top.

Second, there are regulations concerning the altitude at which helicopters may fly. Again, referring to Figure 2, there are numbers with a line over them (e.g. $\overline{1300}$) which appear at various intervals along the eight helicopter routes. These numbers indicate the maximum altitudes at which helicopters may fly; e.g., at Chain Bridge along the Potomac River, the maximum altitude is 700 feet.

Figure 2 also depicts "Terminal Control Areas" (TCAs), which are delineated by heavy solid curved lines. Each of these areas has a fraction depicted in large print within its boundaries, such as:

$$\frac{7000}{\text{SURFACE}}$$

This fraction indicates the lower and upper altitude limits that come under the control of the relevant control tower. In the innermost TCA (area "A"), all helicopters fall within communications control of the Washington National Airport Control Tower. Part of area "A", the part east of the Anacostia River and the Potomac River, also falls within the primary TCA of Andrews Air Force Base. In this area of overlap, an aircraft has the option of choosing the control tower with which communications are maintained.

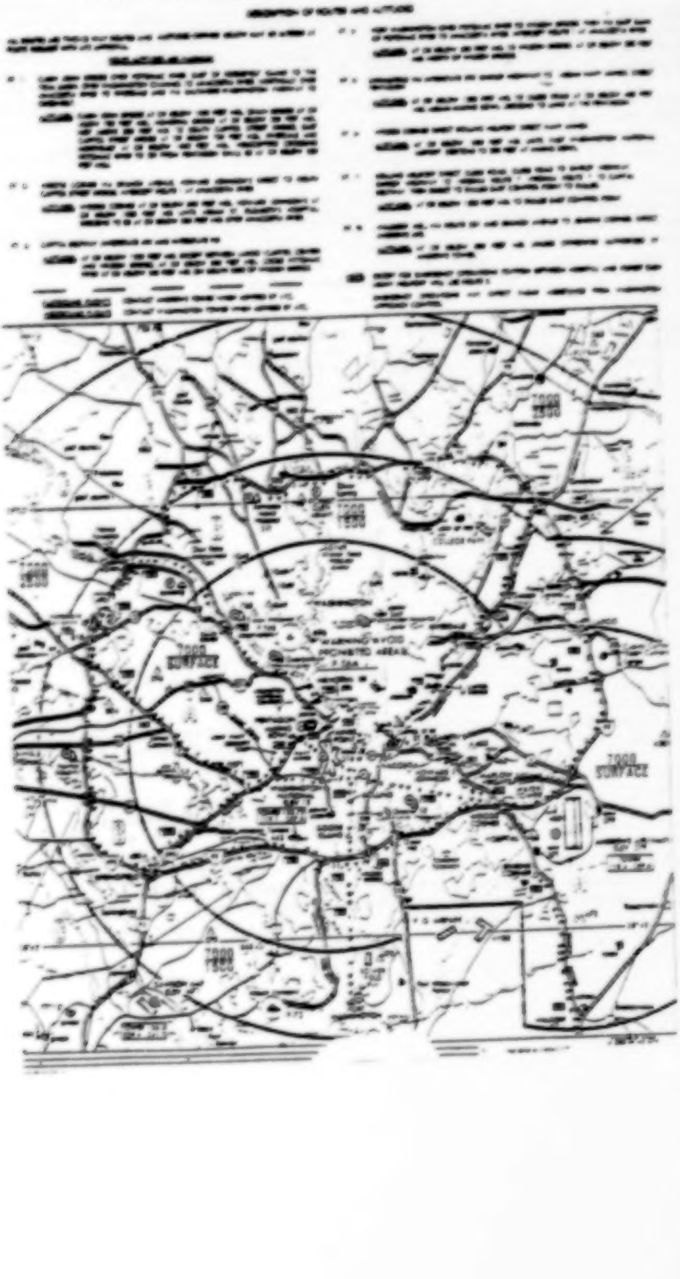
For the purpose of helicopter operations, only the lower half of the fraction is significant because the maximum altitude that helicopters may fly in this area is 1300 feet.

Third, there are 3 restricted areas over which flying is prohibited. These areas are depicted by the hachured lines on Figure 2. They are:

a. "P-56A" - an area which includes the White House and the U.S. Capitol. The exact limits of this area are depicted on the street map, Figure 3.

b. "P-56B" - a circular area with a one-half mile radius around the official residence of the Vice President, at the U.S. Naval Observatory.

FIGURE 2. HELICOPTER FLIGHT ROUTES


7000
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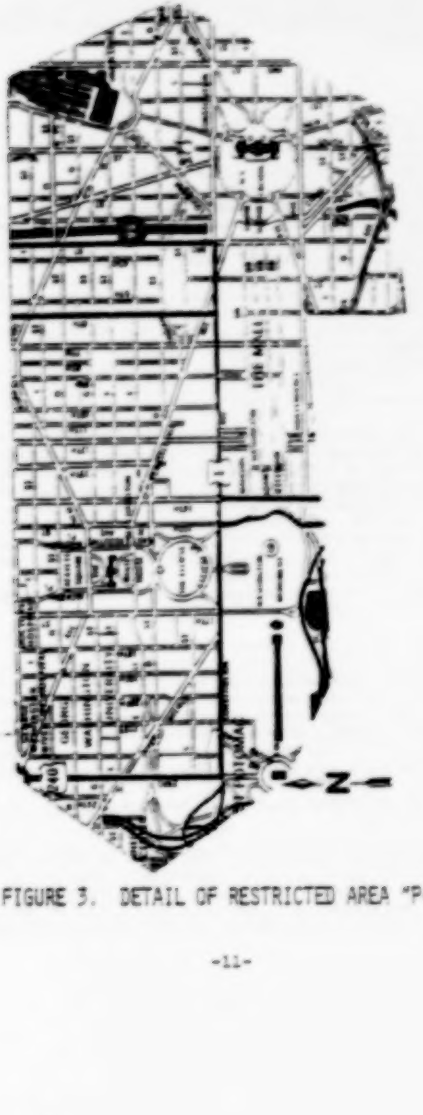

FIGURE 3. DETAIL OF RESTRICTED AREA "P-56A"

c. "P-73" - a circular area with a radius of about one-half mile around Mount Vernon, the home of George Washington.

Weather

Weather is a limiting factor in the use of helicopters as a transportation mode for EMS. Although some military aircraft do have "all-weather" equipment, even they can be grounded by weather conditions, particularly by high winds. In cases where weather is a factor, the pilot makes final determination as to whether flight is made. This determination is based on weather conditions not only at take-off and landing sites, but also enroute; and not only on consideration of safety to the aircraft and its crew, but also of safety to the general public.

Weather conditions constitute one of the major factors which limit helicopters to use as an alternative to ground modes of transportation for EMS operations. Ambulances and fire rescue vehicles can operate in virtually all weather conditions whereas helicopters cannot.

Hazards

Hazards, natural or man-made, constitute another factor which affects the use of helicopters for EMS transport in metropolitan Washington. There are a number of congested, built-up areas in the District of Columbia and in its suburbs (e.g., certain parts of Arlington and Silver Spring) which restrict the use of helicopters as an EMS transport mode. In these built-up areas it is inappropriate to use helicopters not only because of the congestion, which limits helicopter operations, but also because these very areas are the ones in which there are a number of hospitals adequately supported by ambulances which can travel over well-developed road networks.

Natural hazards can mitigate either in favor of or against the use of helicopters for EMS support. Heavily wooded areas, such as exist near Dulles International Airport or in Upper Montgomery County, may preclude helicopter access. On the other hand, helicopters can reach certain remote areas, such as the vicinity of the Great Falls of the Potomac River, which cannot be reached by ambulance. In the rock formations near the Great Falls, helicopters can hover during rescue operations, and have done so in the past. In this role, helicopters constitute a valuable augmentation to ground transportation in EMS operations.

By referring to Figure 2, the reader can gain an appreciation for the make-up of the metropolitan Washington area with respect to hazards and obstructions, the heights of which are shown on the map. To illustrate, obstructions are noted by the symbol ⌃ , with a number underneath indicating the height of the obstruction. The Masonic Temple in Alexandria, a man-made hazard, is illustrated by name, a sketch, and its height (442 feet).

OPERATING PROCEDURES

Requesting Assistance

The request for helicopter assistance from the on-scene officer is based on a medical assessment of the patient's condition or a determination that the specific physical location of the patient requires air evacuation. The medical assessment of patient condition is a function of medical control which is accomplished through two-way voice communication with the emergency department physician. In cases where such communications are not possible, the on-scene officer can accomplish this assessment through the use of official medical protocols which are written and approved by the medical control physician.

Once a decision has been made to request air evacuation, such request is normally transmitted from the on-scene officer to a local fire communications center. The fire communications center is then responsible for contacting the appropriate civilian support unit, either the Maryland State Police or the U.S. Park Police. In Maryland, the MSP is contacted first, usually by the fire communications center contacting the MSP directly. If the MSP is unable to respond, then the USPP is contacted by the fire communications center. Military resources are not utilized until civilian resources have been exhausted.

Once a helicopter unit indicates that it can meet a request for assistance, it is up to the fire communications center and on-scene personnel to determine the nearest safe landing area to the scene. This information is communicated to the responding unit.

Communications

Three levels of communications are important in emergency medical transport by helicopter. They are:

1. Normal air to ground control tower communications.
2. Aircraft to fire/rescue communications.
3. Aircraft to hospital communications.

The USPP has the capability to communicate with all control towers in the metropolitan Washington area. It has an internal radio system, not directly compatible with local authorities, controlled by its own base station. The USPP communicates with local authorities via the fire rescue mutual aid radio system. It also has capabilities via mutual aid to communicate with the Washington Hospital Center, which can be used to relay vital statistics on patients.

The MSP can communicate with all the control towers in its area of operation. It has radio compatibility with all fire communications centers, public ambulances, other state police helicopters and the state police barracks. Its most important communications link is "Syscom" (Systems Command), the communications system controlled by the Shock Trauma Center at the Maryland Institute for Emergency Medical Services (MIEMS). The Maryland System is designed to funnel requests for helicopter assistance through the MIEMS, but in actuality many requests come to MSP directly from the fire communications centers.

The military aircraft have communications capability with all control towers in the area. They do not have direct communications capability with civilian authorities or hospitals.

Where the Patients are Flown

The USPP normally flies its patients to either the Washington Hospital Center or the Shock-Trauma Center at the Maryland Institute for EMS (MIEMS) in Baltimore. It has established an operational line of delineation running parallel to and about two miles north of the northeast border line of Montgomery County. Patients picked up north of the line are normally flown to MIEMS; south of the line, they are usually flown to the Washington Hospital Center (WHC). The line may be adjusted due to weather conditions.

The MSP flies most of its patients to the University of Maryland Hospital in Baltimore. It does fly some burn patients to the WHC. The MSP also flies patients to Johns Hopkins, Baltimore City, and Union Memorial Hospitals in Baltimore.

The military organizations fly most of their patients from one military hospital to another. The 247th Medical Detachment has flown some civilian patients to MIEMS.

Within the Washington metropolitan area, twelve hospitals have helicopter landing facilities:

Children's Hospital National Medical Center
Georgetown University Hospital
Washington Hospital Center
Fairfax Hospital
ACCESS (Ambulatory Care Center Emergency Services System)
St. Mary's Hospital
Physicians' Memorial Hospital
Prince George's General Hospital and Medical Center
Greater Laurel-Beltsville Hospital
*Walter Reed U.S. Army Medical Center
*Bethesda Naval Hospital
*Malcolm Grow U.S. Air Force Hospital

*Denotes military hospitals

As previously mentioned, there are three situations in which helicopters are utilized to support the EMS System: transport of patients from scene of accident to hospital, transfer of patients from hospital to hospital, and transport of vital organs and blood plasma. Most frequently, patients are transported from the scene of an accident to a hospital, and often this transportation is directed by a designation of particular facilities for treating specific types of patients, or specific types of conditions. A second consideration is the nature of landing facilities at the hospital. Landing facilities vary from the most rudimentary (e.g., a parking lot or open field proximal to the designated hospital) to the fully equipped facilities at the Washington Hospital Center and the Shock Trauma Center at the Maryland Institute for EMS (MIEMS) in Baltimore. These two hospitals have dedicated landing areas, windsocks, lights and markings, and good communications capabilities.

The primary consideration, the depth of services available, is the more significant consideration in terms of the concept of total patient care and a systems approach to emergency care -- and, ultimately, in terms of where a patient is taken.

The designation of care capabilities is a process which results in the formal acknowledgement that specific facilities have a greater or lesser capability to provide definitive care for critically ill or injured patients.

The State of Maryland EMS Program has implemented a system of care for emergency patients which entails Echelons of Care, with designations of Areawide Centers for Trauma Care, the MIEMS Shock Trauma Center in Baltimore, and Specialty Referral Centers.

The District of Columbia is currently in the initial stages of independent review of hospital capabilities, and has not yet designated treatment centers. As a result, as regards the movement of patients by helicopter, the issue of where to fly patients has been resolved in a de facto manner, with helicopter transports going to the only hospital with fully equipped helicopter landing facilities -- the Washington Hospital Center.

Transportation of patients to distant Specialty Referral Centers throughout the region is readily accomplished by helicopters although, due to lack of proximal landing facilities, such movement of patients must often be supported by ground transportation from the landing site to the Center. Those centers to which referrals are most frequently directed are:

Hand Injuries
--Raymond M. Curtis Hand Center at Union Memorial Hospital (Baltimore)

Spinal Cord Injuries
--Maryland Institute for Emergency Medical Services (Baltimore)

--University of Virginia Medical Center (Charlottesville)

Eye Trauma
--Georgetown University Hospital (Washington, D.C.)

Neonatal Injuries
--Johns Hopkins National Center (Baltimore)
--Baltimore City Hospital Neonatal Medical Center (Baltimore)
--Children's Hospital National Medical Center (Washington, D.C.)

Pediatric Trauma
--Johns Hopkins Hospital (Baltimore)
--Children's Hospital National Medical Center (Washington, D.C.

Burn Injuries
--Washington Hospital Center (Washington, D.C.)
--Maryland Institute for Emergency Medicine (Baltimore)

MWCOG Guidelines

In 1977, the MWCOG Fire Chiefs Committee developed a set of guidelines for helicopter support of EMS operations. The purpose of these guidelines is to define policies and procedures for coordination between ground and air elements in the rescue/evacuation of injured persons from accidents on limited access highways or in inaccessible locations, or the transportation of patients to specialized critical care medical facilities. These guidelines spell out the use of helicopters as a supplement to, and not a replacement for, the efforts and available resources of the Washington area fire/rescue services. They outline operational procedures and assign responsibilities in the notification, response and completion phases of aeromedical evacuation missions. A copy of these guidelines is attached hereto as Annex B.

ACTIVITY DATA

A summary of the use of helicopters for emergency medical transport during calendar year 1978 is listed below. Data are presented in varying format because recording procedures differ in each organization.

United States Park Police

The USPP flew 108 missions in support of EMS operations. Of these, 38 were flown in Maryland, 45 in Virginia, 22 in the District of Columbia, and 3 in West Virginia. A further breakdown of geographical areas of support for metropolitan Washington reveals the following:

Maryland		Virginia	
Mongtomery County	7	Alexandria	1
Charles County	5	Loudoun County	2
Prince George's County	19	Arlington County	6
St. Mary's County	4	Fairfax County	4
		Prince William County	30

Maryland State Police

The Maryland State Police flew a total of 1,518 missions, statewide, of which 781 were flown during daylight and 737 at night. The preponderance, 781, were transports of patients from the scene of accident (nearly all auto/highway) to hospital; 360 were hospital to hospital transfers; 305 were transfers of premature babies; and the remainder, 72, involved the movement of patients from accidents occurring at places other than highways or roads.

247th U.S. Army Medical Detachment

The 247th Medical Detachment flew 97 medical support missions in 1978. All were hospital to hospital transfers, of which 90 missions involved military patients and seven involved civilian patients. The civilian patients were primarily shock trauma or burn cases who required movement to either the Shock Trauma Center at the Maryland Institute for Emergency Medical Services or the Washington Hospital Center.

1st U.S. Air Force Helicopter Squadron

The 1st Helicopter Squadron flew 26 medical evacuation missions, of which 16 were flown with the Bell UH-1N helicopter, and 10 with the Sikorski CH-3. Virtually all flights involved the transfer of patients from one military hospital to another. Some trauma patients were transferred from Malcolm Grow Hospital at Andrews Air Force Base to the MIEMS in Baltimore.

Davison U.S. Army Airfield

Davison United States Army Airfield flew 28 medical evacuation missions during the period March 1978 through February 1979. This includes both accident scene to hospital transport and hospital transfers. Of these, 19 were civilian patients and 9 were military patients. DUSAA also flew 19 other missions which involved the transport of vital organs and blood plasma.

EMS HELICOPTER ASSESSMENT

Findings

1. Data and information available at the present time would not support an expansion in the level of helicopter support of EMS operations in the metropolitan Washington area; and there

are no known considerations for doing so. However, this is based on the current 24-hour-per-day availability of U.S. Park Police helicopters. If this 24-hour service is discontinued after 30 September 1979, then this finding might be rendered invalid.

2. While ground modes will continue to be the primary source of support for EMS operations, helicopters provide an effective augmentation to ambulances and fire/rescue vehicles in the metropolitan Washington area.

3. Helicopters are an excellent means of transferring patients quickly from one hospital to another, particulary when hospitals are separated by relatively long distances (e.g., Washington, D.C. and Baltimore) and the patient's condition demands speedy transfer.

4. Helicopters have access to certain remote areas (e.g., Great Falls) which cannot be reached by ambulance; but their effectiveness is limited when landings/take-offs are required in congested areas, such as the built-up areas of downtown Washington, D.C. and its suburbs, or in heavily wooded areas.

5. The present system of police resources (USPP and MSP) backed by military resources (DUSAA, the 247th Medical Detachment and the 1st Helicopter Squadron) appears adequate to handle the normal demand for helicopter transport of patients in the metropolitan Washington area.

6. Helicopter support units, in consideration of their individual primary missions, appear to have sufficient numbers of trained personnel to provide adequate EMS support.

7. Although there are a number of hospitals in metropolitan Washington which can receive or dispatch patients via helicopter transport on an occasional, emergency basis, only the Washington Hospital Center is completely adequate in terms of communications, approach and departure lanes, proximity to hospital, and treatment capabilities for virtually all types of injuries or medical emergencies.

8. Although U.S. Park Police presently provide adequate helicopter support for the District of Columbia and northern Virginia, if the 24-hour per day service is not extended beyond 30 September 1979, then the jurisdictions affected will effectively be without helicopter EMS support for at least eight hours each day. The Maryland State Police helicopters would be available to support these jurisdictions, but only in consideration that their primary EMS support effort would be to patients located within the boundaries of Maryland. The military units, because of their primary military missions, have such long response times as to render them inadequate as a primary source of helicopter EMS support for the civilian populace. Thus, without 24-hour per day support from the U.S. Park Police, quick response to the District of Columbia and northern Virginia cannot be guaranteed.

9. Operating procedures in terms of FAA overall flight control and ground-to-air EMS control appear to be adequate.

Recommendations

1. The U.S. Park Police should continue its 24-hour per day helicopter support service for local jurisdictions in the metropolitan Washington area on a permanent basis.

2. The current training practices of the U.S. Park Police and Maryland State Police for their air medical evacuation crews are effective and should be continued.

3. Those hospitals in metropolitan Washington which desire to receive or dispatch patients via helicopter transport on a regular basis should develop proximal helicopter landing facilities which have communications and approach and departure lanes that would permit pick-up and delivery of patients by helicopter in addition to ground ambulance.

4. Coordination among the U.S. Park Police and Maryland State Police helicopter services, medical facilities and other ground operational agencies in metropolitan Washington must be continued so that operational procedures can be improved and inter-agency relationships enhanced.

ANNEX "A"

MEDICAL CHECK-OFF LIST, MARYLAND STATE POLICE

- Oxygen Bottle
- Intravenous Pump
- Bassinette & Blanket
- Infant Digital Thermometer
- Neo-Natal Resuscitator
- Suction Catheter
- Bulb Syringes
- Shock Trousers
- River Rescue Harness
- Burn Sheet
- Obstetrical Kit
- Wool Blanket
- Laerdal Suction Unit
- Demand Valve (w/Oxygen Bottle)
- Resuscibag (Adult & Pediatric)
- Data Scope w/Electrodes
- Blood Pressure Cuff
- Stethoscope
- Intravenous Pressure Infusers
- Esophageal Airways
- Oral Airways
- Intravenous Equipment
- DJW Solution (500 ml)
- Ringer's Solution (500 ml)
- Tourniquet
- Blood Administration Sets
- Prep. Razor
- Lidocaine
- Sodium Bicarbonate Ampules
- Tape
- Swabs in Alcohol
- Syringes
- Angiocaths (16, 18, 20 & 22)
- Butterfly Scalp Vein Sets
- Intravenous Arm Boards
- Compress Bandages
- Cervical Collars
- 4" x 4" Gauze
- Surgical Mask & Gloves
- Tongue Depressors
- Instant Glucose
- Arm & Leg Air Splints
- Life Vests
- Trauma Dressings
- Cling
- Ammonia Inhalants

ANNEX "B"

MWCOG: GUIDELINES FOR HELICOPTER OPERATIONAL PROCEDURES

I. Purpose

To establish guidelines for the establishment of policies and procedures for acceptance and completion of coordinated rescue and aero-medical evacuation missions of injured persons from accidents on limited access highway, injured persons in inaccessible locations or transportation of injured persons to specialized critical care medical facilities.

II. Scope

To augment the resources of the Fire/Rescue Services in the metropolitan Washington area in providing aid and rescue evacuation of injured victims to proper medical facilities.

III. General Policy

The use of helicopters will be only utilized to supplement the efforts and available resources of the Washington area fire/rescue services. The primary concern in any coordinated mission will be the safety and welfare of the victim, the aircraft crew, and fire/rescue service personnel.

IV. Operational Procedures

A. Notification

When the initial analysis of any emergency incident indicates that rescue, evacuation or transportation of persons injured, trapped by fire or natural disaster is beyond the immediate capabilities of relevant area fire/rescue services and the victims of such incidents can be aided by helicopter, the Officer-in-Charge at the incident scene will request helicopter assistance from the appropriate fire communication center.

1. The Officer-in-Charge should notify the fire communications center with the following information:
    - a. The location where the helicopter is needed.
    - b. The type of incident.
    - c. The nature of any injuries.
    - d. Need of any special equipment which may be provided by the helicopter service.

2. **Upon receipt of a request for helicopter services, the fire communication center shall notify the appropriate helicopter service.**

   a. **Requests by area agencies for helicopter rescue assistance will be initially directed to the U.S. Park Police, (202) 426-6605 and/or the Maryland State Police, (301) 420-6605, 528-7813, (800) 492-0610.**

   b. **If the above-mentioned helicopter units are not available to respond, the request will be directed to Fort Meade, (301) 677-3278, 677-7795; Department of Army Operations Center, (703) 695-2314; Andrews Air Force Base, (301) 981-5131; and/or Quantico Marine Base, Virginia, (703) 640-2909, 640-2241, OX4-2170.**

      (1) **The request for helicopter assistance from a military establishment must include one of the following messages:**

         (a) "Urgent-Army/Air Force Helicopter Mission required at (location of incident)". (This message will cause a helicopter to respond.)

         (b) "Potential Army Helicopter Mission required at (location of incident)". (This will cause the Army/Air Force to place a helicopter on stand-by. Message No. 1 above is required for response.)

3. Upon notifying the appropriate helicopter service, the fire communications center should ascertain pertinent information from the helicopter unit.

   a. Ascertain whether or not the helicopter unit can comply with the request for a mission.

   b. Ascertain the estimated time of arrival (ETA) of the helicopter on the scene of emergency.

   c. Ascertain the helicopter identification designation for use during the emergency.

   d. Ascertain the radio channel to be used for the mission.

4. The fire communications center should relay all update information to the helicopter service until communications can be established between fire/rescue units on the scene and the helicopter. In such incidents where communications between units on the incident

scene and the operating helicopter cannot be established, the fire communications center will relay all information until completion of the mission.

5. Notify the fire department Officer-in-Charge at the scene that a helicopter service will/cannot comply with the request for assistance.

B. Operations (Response)

Upon verification that a helicopter service can comply with the request of assistance, the fire communication center, with assistance from fire/rescue units on the incident scene, will determine a landing site as near as possible to the scene of the incident.

1. When an appropriate landing site can be located at or near the scene of the incident, the Officer-in-Charge on the scene should be notified to prepare the landing site.
2. At such times the landing site must be located some distance from the incident scene, an engine company should be dispatched to prepare the land site.
3. The fire/rescue Officer-in-Charge of the scene and/or landing site should continue to update the fire communications center with the weather conditions, terrain, any obstacles that may be hazardous to the helicopter and markings to be used at the site. The updated information should be immediately relayed to the helicopter service.
4. The fire/rescue Officer-in-Charge at the landing site should establish communications with the helicopter (as per local procedures) as soon as possible and provide the aircraft commander with the latest pertinent information.
5. At such time as the helicopter has arrived in the area and communications have been established, the fire/rescue Officer-in-Charge should assign an individual to assist, by hand signals or radio, the aircraft commander to land safely.
6. A cooperation effort between air and ground personnel is necessary when the aircraft is on the ground. The loading of patients and the area directly in close proximity to the aircraft shall be under the direct control of the aircraft commander.
7. The Fire/Rescue Officer will coordinate all efforts with the aircraft commander until such time the

helicopter mission has been terminated.

C. Completion

When conditions at the scene have been stabilized and helicopter services are no longer needed, the Fire Officer-in-Charge at the scene will terminate the response and/or relieve the helicopter from the scene and notify the fire communications center of the action taken.

D. Responsibility

1. The responsibility for the safe and successful completion of a coordinated mission rests with the Fire/Rescue Officers-in-Charge of various elements of the operation and with the Aircraft Commander when members are aboard or working in close proximity to the helicopter.

2. The Fire/Rescue Officer-in-Charge will insure that all fire personnel are wearing protective coats, boots, goggles, and only protective headgear equipped with chin straps firmly secured under the chin, at all times when working around helicopter landing sites or when in close proximity to helicopters.

ANNEX "C"

Attached, as ready references for the reader, are data spread sheets for each of the support organizations cited in this report. These data sheets reflect the equipment and personnel available to each organization; information related to the availability of the organization, itself, for support of Emergency Medical Services operations; typical categories of EMS missions flown; organizational operating procedures; and retrospective activity data for calendar year 1978.

MODE OF SUPPORT UNIT: UNITED STATES PARK POLICE (USPP)

EQUIPMENT	TRAINED PERSONNEL	AVAILABILITY OF UNIT	CASE TYPES	OPERATING PROCEDURES	ACTIVITY DATA
• TWO BELL JET RANGER AIRCRAFT LOCATED AT ANACOSTIA PARK • EACH AIRCRAFT CAN CARRY 2 SPECIALLY DESIGNED LITTERS • AIRCRAFT EQUIPPED W/ PORTABLE LIFE-SUPPORTING EQUIPMENT (OXYGEN AND SUCTION), MEDICAL SUPPLIES TO HANDLE TRAUMA CASES (DRESSINGS, INTRAVENOUS PRESSURE BAGS, ETC.)	• FOUR PILOTS (TWO MORE IN TRAINING) • SIX EMERGENCY MEDICAL TECHNICIANS (EMTS) • TWO EMTS ARE BEING CROSS-TRAINED AS PILOTS • A CREW CONSISTS OF ONE PILOT AND ONE EMT • AS OF OCT. 1, 1978, BEGAN 24-HR-A-DAY, 7 DAYS-A-WEEK SERVICE (A ONE-YEAR PROGRAM SUBJECT TO REVIEW BEFORE EXTENSION) • ONE CREW IS ON STAND-BY STATUS AT ALL TIMES; ONE AIRCRAFT COULD BE AIRBORNE WITHIN A FEW MINUTES • IT WOULD TAKE AN INDETERMINATE AMOUNT OF TIME TO GET THE OTHER AIRCRAFT AIRBORNE (ASSUMING IT WAS MECHANICALLY SOUND) AS THE OTHER PERSONNEL ARE NOT ON CALL DURING THEIR NON-DUTY HOURS	• OPERATES FOR THE MOST PART WITHIN A FIFTY MILE RADIUS OF ITS BASE LOCATION IN ANACOSTIA PARK • CONSTITUTES THE FIRST LINE OF SERVICE AVAILABLE TO THE DISTRICT OF COLUMBIA AND VIRGINIA • IS THE FIRST BACK-UP UNIT CONTACTED FOR SERVICE IN MARYLAND WHEN THE MARYLAND STATE POLICE ARE UNABLE TO RESPOND	• PROVIDES SERVICE IN MAJOR TRAUMA CASES • MOST OF THEIR EFFORTS ARE IN ACCIDENT SCENE TO HOSPITAL TRANSPORT	REQUESTING ASSISTANCE • ON-SCENE PERSONNEL CONTACT FIRE COMMUNICATIONS CENTER, WHICH RELAYS REQUEST FOR ASSISTANCE TO USPP COMMUNICATIONS • HAS CAPABILITY TO COMMUNICATE WITH ALL CONTROL TOWERS IN AREA • HAS ITS OWN INTERNAL RADIO SYSTEM NOT DIRECTLY COMPATIBLE WITH LOCAL AUTHORITIES, CONTROLLED BY ITS OWN BASE STATION • COMMUNICATES WITH LOCAL AUTHORITIES VIA THE FIRE RESCUE MUTUAL AID RADIO SYSTEM; CAN ALSO COMMUNICATE WITH THE WASHINGTON HOSPITAL CENTER VIA MUTUAL AID, TO RELAY VITAL STATISTICS ON PATIENTS, ETC. WHERE PATIENTS ARE FLOWN • NORMALLY FLIES PATIENTS TO EITHER THE WASHINGTON HOSPITAL CENTER (WHC) OR THE SHOCK-TRAUMA CENTER AT MARYLAND INSTITUTE FOR EMERGENCY MEDICAL SERVICES IN BALTIMORE • ESTABLISHED AN OPERATIONAL LINE OF DELINEATION RUNNING PARALLEL TO AND ABOUT 2 MILES ABOVE THE NORTHEAST BORDER OF MONTGOMERY COUNTY; PATIENTS PICKED UP NORTH OF THE LINE ARE NORMALLY FLOWN TO MIEMS, SOUTH OF THE LINE TO WHC (LINE MAY BE ADJUSTED DUE TO WEATHER CONDITIONS) •	• USPP FLEW 108 MISSIONS IN SUPPORT OF EMS DURING 1978 • OF THESE, 35 WERE FLOWN IN MARYLAND, 45 IN VIRGINIA, 23 IN DISTRICT OF COLUMBIA, AND 5 IN WEST VIRGINIA • BREAKDOWN OF GEOGRAPHICAL AREAS OF SUPPORT FOR THE METROPOLITAN WASHINGTON AREA MARYLAND MONTGOMERY COUNTY 7 CHARLES COUNTY 5 PRINCE GEORGE'S COUNTY 19 ST. MARY'S CO. 4 VIRGINIA ALEXANDRIA 3 LOUDOUN CO. 2 ARLINGTON CO. 6 FAIRFAX CO. 4 PRINCE WILLIAM COUNTY 30

APPENDIX I-ANNEX C

NAME OF SUPPORT UNIT: MARYLAND STATE POLICE (MSP)

EQUIPMENT	TRAINED PERSONNEL	AVAILABILITY OF UNIT	CASE TYPES	OPERATING PROCEDURES	ACTIVITY DATA
o FOUR BELL JET RANGER AIRCRAFT; ONE BASED AT EACH OF THE FOLLOWING LOCATIONS: ANDREWS AFB, FREDERICK, MIDDLE RIVER, AND SALISBURY. • EACH BELL JET RANGER CAN CARRY TWO SPECIALLY-DESIGNED LITTERS. IN THE EVENT A PATIENT CANNOT BE MOVED TO A LITTER, THE MSP HAS 8 EXTRA LITTERS, 2 AT EACH LOCATION • MSP ALSO HAS 3 "HUEY" UH-1B AIRCRAFT WITH EXTERNAL CARGO HOOKS AND 2 H-34 SIKORSKI HELICOPTERS WITH EXTERNAL CARGO HOOKS AND HOISTS • THE BELL JET RANGER AIRCRAFT CARRY A COMPLETE LINE OF MEDICAL SUPPLIES AND EQUIPMENT	• A MSP CREW CONSISTS OF ONE PILOT AND ONE EMT • THERE IS ONE CREW ON STAND-BY AT EACH OF THE FOUR BASE LOCATIONS ON A 24-HR.-DAY, 7-DAYS-A-WEEK BASIS • AS A MATTER OF POLICY, CREWS ARE NOT CROSS-TRAINED (I.E., PILOTS ARE NOT TRAINED AS EMTS AND EMTS ARE NOT TRAINED AS PILOTS) • MSP HAS SUFFICIENT PERSONNEL TO MAN THEIR UH-1B AND H-34 AIRCRAFT; TO GET THEM ALL AIRBORNE AT ONCE WOULD REQUIRE ADVANCE PLANNING	• COMPRISES THE PRIMARY RESOURCE FOR HELICOPTER EMERGENCY MEDICAL TRANSPORT IN THE STATE OF MARYLAND, INCLUDING THE MARYLAND SUBURBS OF WASHINGTON, D.C.	• THEIR EFFORTS ARE PRIMARILY IN ACCIDENT SCENE TO HOSPITAL TRANSPORTS • ALSO MAKE A SIGNIFICANT NUMBER OF HOSPITAL TO HOSPITAL TRANSFERS OF ADULTS AND PREMATURE BABIES	REQUESTING ASSISTANCE • ON-SCENE PERSONNEL CONTACT FIRE COMMUNICATIONS CENTER, WHICH RELAYS REQUEST FOR ASSISTANCE TO THE MSP COMMUNICATIONS • HAS CAPABILITY TO COMMUNICATE WITH ALL CONTROL TOWERS IN THE AREA • HAS RADIO COMPATIBILITY WITH ALL FIRE COMMUNICATIONS CENTERS, PUBLIC AMBULANCES, OTHER STATE POLICE HELICOPTERS AND THE STATE POLICE BARRACKS • MOST IMPORTANT COMMUNICATIONS LINK IS "SYSCOM" (SYSTEMS COMMAND), THE COMMUNICATIONS SYSTEM CONTROLLED BY THE SHOCK TRAUMA CENTER AT THE MARYLAND INSTITUTE FOR EMS (MIEMS) IN BALTIMORE WHERE PATIENTS ARE FLOWN • FLIES MOST OF ITS PATIENTS TO MIEMS; IT DOES FLY SOME BURN PATIENTS TO WASHINGTON HOSPITAL CENTER (WHC) • ALSO FLY PATIENTS TO THE JOHNS HOPKINS UNIVERSITY, BALTIMORE CITY AND UNION MEMORIAL HOSPITALS IN BALTIMORE	• FLEW A TOTAL OF 1,518 MISSIONS STATEWIDE DURING 1978, OF WHICH 781 WERE FLOWN DURING DAYLIGHT AND 737 AT NIGHT • OF THE TOTAL, 781 WERE TRANSPORTS OF PATIENTS FROM ACCIDENT SCENE TO HOSPITAL; 360 WERE HOSPITAL TO HOSPITAL TRANSFERS; AND 305 WERE TRANSFERS OF PREMATURE BABIES • THE REMAINING 72 WERE TRANSPORTS OF PATIENTS FROM ACCIDENT SCENES OTHER THAN HIGHWAY

APPENDIX 2, ANNEX C

NAME OF SUPPORT UNIT: 247TH U.S. ARMY MEDICAL DETACHMENT (HELICOPTER AMBULANCE)

EQUIPMENT	TRAINED PERSONNEL	AVAILABILITY OF UNIT	CASE TYPES	OPERATING PROCEDURES	ACTIVITY DATA
• SIX BELL "HUEY" UH-1H AIRCRAFT ARE AVAILABLE FOR MEDICAL SUPPORT AT FORT MEADE • THESE AIRCRAFT CAN BE CONFIGURED TO HOLD UP TO SIX LITTERS IF NECESSARY • WHEN USED FOR EMS SUPPORT, AIRCRAFT ARE EQUIPPED WITH A MEDICAL CHEST, RESUSCITATOR ASPIRATOR, OXYGEN AND SPLINTS • ADDITIONAL SPECIAL EQUIPMENT THAT MIGHT BE NEEDED IS PROVIDED BY THE SUPPORTED ORGANIZATION (NORMALLY KIMBROUGH U.S. ARMY HOSPITAL AT FORT MEADE)	• CREW USUALLY CONSISTS OF 2 PILOTS, ONE EMT AND ONE CREW CHIEF • HAS SUFFICIENT PERSONNEL TO MAN ALL ITS SIX AIRCRAFT AT ONE TIME, BUT ONLY ONE CREW IS ON-CALL (ONLY DURING DUTY HOURS: 7 A.M. TO 4 P.M., MONDAY THROUGH FRIDAY); REACTION TIME CAN BE AS MUCH AS 30 MINUTES TO 1 HOUR	• FIRST PRIORITY IS TO SUPPORT MILITARY MISSIONS • DEPARTMENT OF DEFENSE DIRECTIVES STATE THAT BEFORE MILITARY RESOURCES ARE REQUESTED AND AUTHORIZED, ALL AVAILABLE CIVILIAN RESOURCES AT THE LOCAL, STATE AND FEDERAL (I.E., USPP) LEVELS MUST BE EXHAUSTED; AS SUCH, MILITARY UNITS MAY BE CONSIDERED ONLY AS BACK-UP SUPPORT TO CIVILIAN RESOURCES	• MOST OF THEIR EFFORTS ARE IN HOSPITAL TO HOSPITAL TRANSFERS	REQUESTING ASSISTANCE • MILITARY RESOURCES (ARMY) ARE CONTACTED AFTER CIVILIAN RESOURCES ARE EXHAUSTED COMMUNICATIONS • HAS COMMUNICATIONS CAPABILITY WITH ALL CONTROL TOWERS IN THE AREA • DOES NOT HAVE DIRECT COMMUNICATIONS CAPABILITY WITH LOCAL AUTHORITIES OR HOSPITALS WHERE PATIENTS ARE FLOWN • MOST PATIENTS FLOWN FROM ONE MILITARY HOSPITAL TO ANOTHER; 247TH HAS FLOWN SOME CIVILIAN PATIENTS TO THE SHOCK TRAUMA CENTER AT THE MARYLAND INSTITUTE FOR EMS (MIEMS) IN BALTIMORE	• FLEW 97 MEDICAL SUPPORT MISSIONS IN 1978 • ALL OF THESE MISSIONS WERE HOSPITAL TO HOSPITAL TRANSFERS; 90 OF THESE WERE MILITARY PATIENTS AND 7 WERE CIVILIAN PATIENTS • CIVILIAN PATIENTS WERE PRIMARILY SHOCK TRAUMA OR BURN CASES WHO REQUIRED MOVEMENT TO EITHER MIEMS OR WASHINGTON HOSPITAL CENTER (WHC)

APPENDIX 3, ANNEX C

NAME OF SUPPORT UNIT: 1ST U.S. AIR FORCE HELICOPTER SQUADRON

EQUIPMENT	TRAINED PERSONNEL	AVAILABILITY OF UNIT	CASE TYPES	OPERATING PROCEDURES	ACTIVITY DATA
• NINE BELL-212 TWIN-ENGINE HELICOPTERS (UH-1NS) AND FOUR CH-3E HELICOPTERS LOCATED AT ANDREWS AFB • BELL-212 AIRCRAFT CAN CARRY UP TO SIX LITTERS EACH; CH-3E, UP TO 8 LITTERS EACH • IF MORE THAN ONE AIRCRAFT IS NEEDED, IT WOULD TAKE UP TO 30 MINUTES TO RECONFIGURE OTHER AIRCRAFT • ONE BELL-212 AIRCRAFT IS CONFIGURED FOR MEDICAL EVACUATION	• CREW CONSISTS OF A PILOT AND A CO-PILOT OR CREW CHIEF; NORMALLY AN EMT IS NOT ON BOARD (IF NEEDED, EMT IS AVAILABLE AT ANDREWS AFB DISPENSARY DURING NORMAL DUTY HOURS (8 A.M. TO 6 P.M. MON - FRI); IF EMT NEEDED DURING NON-DUTY HOURS, EMT WOULD BE PROVIDED BY SUPPORTED ORGANIZATION OR A NON-DUTY PERSON ASSIGNED TO BASE DISPENSARY WOULD BE CONTACTED). • DURING DUTY HOURS, ONE CREW IS ON STAND-BY AND CAN BE AIRBORNE W/I 5 MINUTES; ADDITIONAL CREWS WOULD TAKE UP TO 30 MINUTES TO MUSTER • DURING NON-DUTY HOURS, ONE CREW IS ON-CALL, WITH A RESPONSE TIME OF 10 TO 30 MINUTES	• FIRST PRIORITY IS TO SUPPORT MILITARY MISSIONS • DEPARTMENT OF DEFENSE DIRECTIVES STATE THAT BEFORE MILITARY RESOURCES ARE REQUESTED AND AUTHORIZED, ALL AVAILABLE CIVILIAN RESOURCES AT THE LOCAL, STATE AND FEDERAL (I.E., USPP) LEVELS MUST BE EXHAUSTED; AS SUCH, MILITARY UNITS MAY BE CONSIDERED ONLY AS BACK-UP SUPPORT TO CIVILIAN RESOURCES • DEPARTMENT OF DEFENSE HAS DESIGNATED DEPT OF ARMY AS INITIAL CONTACT POINT WITHIN CONTINENTAL U.S. FOR AID TO CIVILIANS; REQUESTS FOR MILITARY SUPPORT BY CIVILIAN AUTHORITIES ARE THEREFORE CHANNELLED THRU DUSAA AND FORT MEADE; THE 1ST HELICOPTER SQUADRON AT ANDREWS AFB IS A BACK-UP TO ARMY RESOURCES	• MOST EFFORTS INVOLVE HOSPITAL TO HOSPITAL TRANSFERS	REQUESTING ASSISTANCE • MILITARY RESOURCES ARE CONTACTED AFTER CIVILIAN RESOURCES ARE EXHAUSTED COMMUNICATIONS • HAS COMMUNICATIONS CAPABILITY WITH ALL CONTROL TOWERS IN THE AREA • DOES NOT HAVE DIRECT COMMUNICATIONS CAPABILITY WITH LOCAL AUTHORITIES OR HOSPITALS WHERE PATIENTS ARE FLOWN • MOST PATIENTS ARE FLOWN FROM ONE MILITARY HOSPITAL TO ANOTHER	• FLEW 26 MEDICAL EVACUATION MISSIONS IN 1978, OF WHICH 16 WERE FLOWN IN THE BELL AIRCRAFT AND 10 IN THE CH-3E AIRCRAFT • SOME TRAUMA PATIENTS WERE TRANSFERRED FROM MALCOM GROW USAF HOSPITAL TO MIEMS IN BALTIMORE

APPENDIX 4, ANNEX C

NAME OF SUPPORT UNIT: DAVISON U.S. ARMY AIRFIELD (DUSAA)

EQUIPMENT	TRAINED PERSONNEL	AVAILABILITY OF UNIT	CASE TYPES	OPERATING PROCEDURES	ACTIVITY DATA
• THIRTY-THREE BELL UH-1 TYPE AIRCRAFT. TWO ARE EQUIPPED WITH FIRE SUPPRESANT MATERIAL AND CAN CARRY 3 LITTERS AND 4 WALING PATIENTS. 31 UH-1H AIRCRAFT CAN CARRY 2 LITTER PATIENTS EACH. DUSAA HAS A 75% AIRCRAFT AVAILABILTY RATE. SINCE EMS SUPPORT IS NOT ONE OF THE PRIMARY MISSIONS OF DUSAA ANY SPECIAL MEDICAL EQUIPMENT IS PROVIDED BY THE SUPPORTED ORGANIZATION WHEN DUSAA AIRCRAFT ARE USED FOR EMERGENCY MEDICAL TRANSPORT	• ALTHOUGH DUSAA HAS SUFFICIENT AIRCRAFT CREWS TO FLY 24 HELICOPTERS, THERE ARE ONLY FOUR AIDMEN (MILITARY EQUIVALENT OF EMT) ASSIGNED TO THE ORGANIZATION (THIS EFFECTIVELY REDUCES THE NUMBER OF HELICOPTERS AVAILABLE FOR EMERGENCY MEDICAL TRANSPORT TO A MAXIMUM OF FOUR AT ANY ONE GIVEN TIME, SINCE AN EMT IS NORMALLY PART OF AN EMS SUPPORT CREW) • ONE CREW IS ON STAND-BY DURING NORMAL DUTY HOURS (6:15 A.M. TO 6:00 P.M., MONDAY THROUGH FRIDAY) AND CAN BE AIRBORNE WITHIN 90 SECONDS; DURING NON-DUTY HOURS, ONE CREW IS ON-CALL, AND RESPONSE TIME IS EXTENDED TO AS MUCH AS ONE HOUR	• FIRST PRIORITY IS TO SUPPORT MILITARY MISSIONS • DEPARTMENT OF DEFENSE DIRECTIVES STATE THAT BEFORE MILITARY RESOURCES ARE REQUESTED AND AUTHORIZED, ALL AVAILABLE CIVILIAN RESOURCES AT THE LOCAL, STATE AND FEDERAL (I.E., USPP) LEVELS MUST BE EXHAUSTED, AS SUCH, MILITARY UNITS MAY BE CONSIDERED ONLY AS BACK-UP SUPPORT TO CIVILIAN RESOURCES	• MOST OF THEIR EFFORTS ARE IN HOSPITAL TO HOSPITAL TRANSFERS	REQUESTING ASSISTANCE • MILITARY RESOURCES (ARMY) ARE CONTACTED AFTER CIVILIAN RESOURCES ARE EXHAUSTED COMMUNICATIONS • HAS COMMUNICATIONS CAPABILITY WITH ALL CONTROL TOWERS IN THE AREA • DOES NOT HAVE DIRECT COMMUNICATIONS CAPABILITY WITH LOCAL AUTHORITIES OR HOSPITALS WHERE PATIENTS ARE FLOWN • MOST PATIENTS ARE FLOWN FROM ONE MILITARY HOSPITAL TO ANOTHER	• FLEW 28 MEDEVAC MISSIONS DURING THE PERIOD MARCH 1978 THRU FEB 1979 • OF THESE 28 MISSIONS (WHICH INCLUDE BOTH ACCIDENT SCENE TO HOSPITAL TRANSPORTS AND HOSPITAL TO HOSPITAL TRANSFERS), 19 WERE CIVILIAN PATIENTS AND 9 WERE MILITARY PATIENTS • FLEW 19 OTHER MISSIONS INVOLVING THE TRANSPORT OF VITAL ORGANS AND BLOOD PLASMA

APPENDIX 5, ANNEX C